

## Polec Builders Grid Progress Report

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2:21 PM 

**To** jason.cole@michmca.org **Copy** Tony Booth, Clif McElyea

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Tru Hotel...20.02.03 (4).pdf (5.1 MB) Contracting Coach...2020.pdf (512.3 KB) Contracting Coach...Kit.pdf (7.9 MB)

Jason:

Thanks for taking the call.

Over the past several years, Tony Clif and I as copied on this email have created a platform that meets the needs of emerging contractors.

Clif is a CPA. Tony a construction expert. Polec underwrites.

The attached includes a progress report for First Farmers Bank and Trust of Lafayette, IN.

1. FFBT welcomed a proposal to perform progress report/pay application functions for a TRU Hotel in downtown Indianapolis - \$15,015,796.

Instead of requiring a surety bond, the Developer/GC offered the BG platform as a third party option to assemble the necessary paperwork to gain the release of monthly draws from FFBT. The report contains what FFBT and GC/Developer, and BG, thought to be precise and useful third party validation of work performed. BG and the GC work together to verify progress including lien waiver management, percentage of completion (POC) on-site observation remotely accessible by the bank and other interested parties (Struction Site). I visit the site monthly to capture photos, still and 360 degrees, immediately after receiving the Pay application form the GC. Tony checks the work with me against the G702, G703 forms. Once the BG confirms the billings line up with POC. The BG packages the report and submits to FFBT for disbursement to the BG in a lump sum. The BG disburses payment to subs, and, suppliers on occasion within 15 days . For example, I just received the most recent package from the GC, and all payees will be paid in 15 days or less.

FFBT is available to comment on the BG's performance upon request.

The bank waived the surety bond requirement, nearly \$200,000 in premium.

The advantages are numerous including:

1. Premium Savings
2. Lien free monthly assurance
3. FAST PAY, lessening the dependence on Lines of Credit,
4. Suppliers are gearing up to provide TIER 2 pricing for suppliers due to guarantee of payment
5. Suppliers are providing supply credit that may not otherwise qualify.

Others.....

Because the Miller Act requires bonding for public projects, it was, however, essential to create a relationship with a surety(s) who would contemplate the BG advantages of the Sub's essentially outsourcing some of the paperwork best practices to the BG. The GC and Subs save internal costs they would otherwise pay to an in-house bookkeeper. Once the GC or Sub has the cash flow to hire its own personnel to perform the functions, The BG has created another success story, and hopefully, the BG can retain providing bonding service etc.... to those we assist. We have two such resources for surety in play now.

The Contractors Coach augments the commitment to the preparedness of the contractors to organize a sustainable business. For Cities like Detroit, where the flyover money flows for various services like construction is reduced, therefore creating viable tax-paying businesses to further create jobs etc... Where everybody wins.

We are eager to provide any services we can to you and your members and will work hard for it.