

SBS IN THE NEWS

DAILY NEWS

City Changes Bond Terms to Help Small Contractors Qualify for Public Projects

By Lore Croghan
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CITY HALL is making it easier for small contractors to bid on public construction projects.

Many have been shut out of lucrative work because they couldn't qualify for bonds required for city construction contracts of more than \$500. The bonds are needed to protect the city from the risk that builders won't finish their assignments.

The city has changed some of its terms for bonds of less than \$5 million to encourage firms to tap in U.S. Small Business Administration guarantees. The SBA recently upped its bond guarantees to \$5 million from \$2 million to help recession-strapped contractors.

"We hope this will fill the gap," said Andy Schwartz, first deputy commissioner of the city Small Business Service Department.

The new policy will give small builders a hot at bidding for at least \$370 million in city projects a year.

Public-sector construction will be stronger than private-sector construction over the next couple of years, Building Trades Employers' association CEO Lou Coletti said.

"This will open up opportunities for small businesses," Coletti said.