

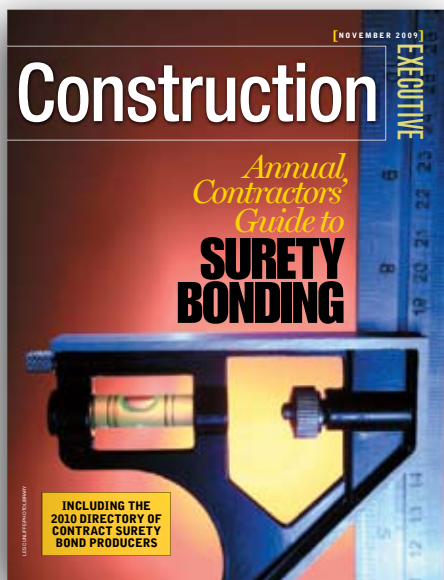
Construction

EXECUTIVE

Executive Insights

ANALYSIS
AND
ADVICE
FROM SURETY
INDUSTRY
LEADERS

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Major state and federal construction projects usually are available only to bonded contractors that can provide performance bonds to protect taxpayers against the risk of default and payment bonds to protect subcontractors that do not have lien rights against public property.

While the recession has reduced the number of private construction projects, public projects—including highways and bridges, public housing, courthouses, office buildings, military bases, embassies and consulates, prisons, hospitals and

medical facilities, water treatment plants and schools—remain plentiful. Without bonding capacity, opportunities to bid on and perform these kinds of projects are out of reach.

Because of the recession, many contractors that historically focused on private construction work have altered their business plans to seek public work. Surety advisers have been able to help these contractors understand some of the unique legal challenges presented by public work. Likewise, surety underwriters and bond producers with experience bonding public work can help contractors understand some of the financial risks associated with making the switch.