

At the new Taylor University Eichling Aquatics wing, students studying physical education and human performance place people in the water to improve their lives. In construction, especially in today's economic climate, a builder who is "under water" can prove disastrous.

One early indicator to wade through is the bonding process.

The two most commonly found bonds in a construction project are the *performance* and *payment* bonds. The *performance bond* guarantees the builder will complete the contract according to the terms, including price and time, while the *payment bond* guarantees the subcontractors and suppliers will be paid.

Remember this, although there are circumstances where each may be needed because of legal requirements or owner preference, the owner is the beneficiary of these guarantees, and as such will directly or indirectly pay the premiums.

There are many situations with MKS and our clients, that bonding isn't required due to a long-held trust, a strong partnership tie, and our financial ability to assure completion. This is the exception instead of the rule. Unless you completely trust your builder and their financial strength can keep your project afloat, bonding should be considered.

It may prove to be money well spent.

So after step one of determining the need for a bond, the next item to review is the premium's cost. If bonding your builder exceeds 1% of the construction cost, step back and think for a minute, this tells you the builder has a weaker financial and project performance standing than those with a lower premium cost.

Looking at the bonding fees may provide an idea of a builder's ability to swim, yet the proof is in the numbers. It is always time well spent to receive and review a potential builder's Profit & Loss and Corporation Balance Sheet.

With our excellent work history and financial capabilities, the MKS bonding premium is below 1%...even though nearly all of our partners never spend for bonding coverage.

Giving you value, a trusting friendship, and a quality completed project...the Kinder way to Design-Build.



Is Your Builder Splashing Around...
Or Under Water?

The Taylor University Eichling Aquatics Wing
Upland, IN

DESIGN—BUILDER, CONSTRUCTION MANAGER, GENERAL CONTRACTOR
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