

Case Study CCABH Ebensburg



Old Republic Surety Goes
Beyond the Numbers to
Write an \$18 Million Bond



Not every surety decision is strictly by the numbers.

CCABH Ebensburg is the story of a dedicated owner who wanted the best construction company for the job and a diligent general contractor who was having difficulty getting bonded because the project was larger than anything the company had done before.

The project came to fruition because the bond producer and Old Republic Surety saw beyond the numbers and realized the contractor's experience, reputation and relationship with the owner made it easy to say "yes" to bonding the job.

The Challenge

Underwriting a job that was much larger than the contractor's previous projects.

Old Republic Surety's Approach

Look beyond the numbers, recognize a contractor's experience and reputation, and understand the relationship with the owner.



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CCABH: Helping the Disabled Since 1927

The Cambria County Association for the Blind and Handicapped (CCABH) provides rehabilitation services and employment opportunities to persons with disabilities in central Pennsylvania. Its manufacturing facilities make and sell a variety of products, supporting more than 500 disabled people.

In his 50-plus years as head of CCABH, Richard Bosserman has guided the growth of the organization's state-of-the-art work centers in Johnstown and Ebensburg. Under his leadership, CCABH has become one of the top 10 work centers in the U.S. and employs over 350 people.

Bosserman takes personal pride in the work performed at his facilities and is even known to clean the floors during his lunch break. He also believes in hiring the best contractors in the area. In 2014, CCABH bid a project to add 50,000 square feet to its Johnstown manufacturing facility. It hired Brickley Construction Inc. as the general contractor. The project was bonded for \$11 million and was finished in 2017.

Bosserman felt that Brickley Construction had the right experience for the Johnstown project and knew its reputation for high-quality work. Bosserman called the Johnstown expansion "the most outstanding job completed by a general contractor in all my tenure." He commended Brickley Construction for its "professionalism" and "quality craftsmanship."

After completing the Johnstown expansion, CCABH began plans to add space to its Ebensburg facility. Bosserman again turned to Brickley Construction.

Approving a Bond in Less Than a Week

CCABH began design work on a 50,000 square-foot expansion at Ebensburg in 2018. As before, the project would need to be bonded, this time for \$18 million. However, the incumbent surety declined to write the bond.

Tony Kamnikar, Brickley's agent, asked Kerry Enders of Old Republic Surety to review the submission. Enders liked what he saw in the project. He discovered a number of positive factors that could offset any financial risk. They quickly moved forward with the bonding, and it was approved in less than a week.

"There were many aspects of this project that made us willing to write the bond," recalls Enders. "Perhaps the major factor was the owner of the project wasn't bidding the job. He wanted Brickley for the project, and there was a track record there."

Other positives included:

- The Ebensburg project was less complicated, with a more straightforward scope of work, than the Johnstown project.
- Enders had worked with Kamnikar before. He knew he was knowledgeable about surety and construction and would be an excellent surety partner.
- The expansion was designed by a well-regarded architect/engineering firm.

- CCABH was willing to pay for the best contractors to ensure high-quality work, allowing Brickley to negotiate favorable pricing and hire top-tier subcontractors.
- There were no liquidated damages in the contract. There was a 10% retention until the job was 50% complete, after which it dropped to 5%; but Brickley would be paid promptly, 10 days after submitting its pay application. This meant cash flow wouldn't be a problem.

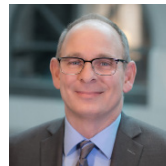
Kamnikar says bonding Brickley "was a no-brainer" once everyone understood the project and saw how well-managed the company was. "It's a blue chipper — they really know what they're doing."

"Everything seemed to fall into place with this one," adds Enders. "Great owner, great contractor, great architect, great subs. All the bases were covered."

Says Cindy Brickley, president of Brickley Construction: "Old Republic Surety has been, by far, the easiest surety company we've worked with. They've been wonderful. Old Republic is very responsive and always gets back to us quickly."

The project is due to be completed in July 2021.

Brickley Construction Inc



Kerry Enders

Bond Manger, Eastern PA
Old Republic Surety

CCABH Ebensburg at a Glance

Bond Amount:
\$18 million

Project Size:
50,000 square-foot expansion

Location:
Ebensburg, Pennsylvania

Owner:
Cambria County Association for the Blind and Handicapped