



U.S. DOT awards \$30.4M in funds to three local government applicants endorsed by KYTC

The Bourbon County Fiscal Court, Taylor County Fiscal Court and City of Paducah are the recipients of competitive Better Utilizing Investments to Leverage Development (BUILD) federal grants totaling \$30.4 million.

The allocation will fund projects that improve safety, access and mobility for motorists and freight movement in Kentucky. The grant covers 60 percent of the combined total costs of the three projects.

“We’re grateful Kentucky is one of 35 states to have earned this competitive funding to improve rural infrastructure in western and central Kentucky,” said KYTC Secretary Greg Thomas. “KYTC is glad to have played a role in endorsing and providing technical support to the winning applicants to pursue these worthwhile projects that will support the economy and improve the quality of life for Kentuckians.”

The Bourbon County Fiscal Court was awarded \$10.2 million for the reconstruction and widening of U.S. 460 from KY 353 (Russell Cave Road) in Centerville to the U.S. 27 Bypass in Paris, KY.

The existing two-lane roadway is a school bus route with 10-foot lanes and almost no shoulders. The funded project will widen the lanes to 12 feet, widen the existing shoulders and improve the sight distance and clear zones between the shoulders and right-of-way.

The completed project will improve safety on the high-crash corridor used by commercial trucks, commuters, farm equipment, horse trailers and school buses. The finished corridor will promote economic development by supporting safer truck traffic. The total project cost is \$17.3 million.

The Taylor County Fiscal Court was awarded \$9.8 million to reconstruct U.S. 68 from the Campbellsville Bypass in Taylor County north to the Lebanon Bypass in Marion County.

The existing two-lane roadway will be modified into a 2+1 roadway. This type of roadway features a third lane that periodically alternates direction to allow for safe passing. Once complete, the corridor will improve mobility, reduce travel times, and increase safety on this critical north-south route in central Kentucky that has been the site of higher than average crashes. The total project cost is \$21.25 million.

The city of Paducah was awarded \$10.4 million to address key industry, tourism and community needs that provide safe and efficient links for people and goods to and from the Ohio River.

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About The KYTC

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on KYTC contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.



About The Program

The Construction Estimating Institute (CEI) works with KYTC as the statewide provider of the federally funded Disadvantaged Business Enterprises (DBE) Supportive Services Program. We want to increase the number of certified DBEs participating in highway and bridge construction, as well as assist DBEs in growing and eventually becoming self-sufficient. Additionally, CEI provides supportive services by assisting prime contractors and consultants with identifying DBEs for subcontracting opportunities on priority projects.

What happens when a bonding company is called in

Sometimes, as a condition of winning a construction job, contractors are required to guarantee that they will pay their bills and perform their contracted scopes of work by providing the owner with payment and performance bonds. Public agencies often require these instruments, issued by a surety bond company, but some private owners insist on them as well.

Payment and performance bonds, said attorney Michael Kurzman, partner at the law firm of Weiss Serota Helfman Cole & Bierman P.L. in Ft. Lauderdale, Florida, are two distinct documents. When a general contractor provides a payment bond to the owner, it is ensuring that the project's subs and suppliers will be paid. Similarly, a bonded subcontractor is guaranteeing payment of the bills related to its scope of work.

If a contractor is unable to carry out the work in its contract, then the owner can go to the bonding company and have it complete the project under the terms of the performance bond.

Construction companies that bid on federal contracts of \$150,000 or more must be bonded under the terms of the Miller Act, as implemented by Federal Acquisition Regulations. States also have bonding requirements for government construction work through "Little Miller Act" laws.

While insurance companies are where contractors most often go to secure performance and payment bonds, bonds are not insurance. Unlike a general liability policy that pays for claims — and perhaps leave the policyholder with higher premiums come the next renewal — contractors must reimburse sureties for claims paid. Sureties most always have the contractor's principals personally guarantee repayment if the company is unable to do so.

"The surety usually has the principal and spouse sign the indemnity agreement so that they have plenty of leverage in order to get paid back," Kurzman said. In addition, said attorney John Sebastian, managing partner at Watt, Tieder, Hoffar & Fitzgerald LLP's Chicago office, sureties are not protected by the automatic stays that keep creditors at bay in the event of a contractor's bankruptcy. So, subcontractors and suppliers should still get paid for a bankrupt contractor's bonded projects.

Of course, there are plenty of jobs where performance and payment bonds, like many construction contracts, sit in a drawer and never see the light of day until a problem comes along.

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Supportive Services Offered:

- Estimating Training
- Building Capacity
- Mobilization Financing
- Bonding Assistance
- Marketing Plan Development
- Creating a Business Plan
- Building a Website
- Plan Reading



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in obtaining

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CEI is an educational organization providing the highest quality construction training in the industry. Over 100,000 owners, estimators, project managers, field supervisors, office support staff, foremen, laborers, and key management personnel have attended courses that are offered nationwide. The courses provide students with construction skills training and the critical information needed to be effective within their companies and organizations.