



Metro

CONTRACT FINANCING ASSISTANCE PROGRAM

Working Capital for Your Metro Contracts

Metro understands the significant financial burden smaller businesses encounter cash-flowing their Metro related contracts while awaiting payment through the progress payment process. We know that this presents challenges which can impact your entire business, including the ability to take on more than one project at a time, or have adequate working capital to support a larger contract. As part of its commitment to small business participation at Metro, we want to do something about this.

Metro's Contract Financing Assistance Program (CFAP), is a resource through Metro's Contractor Development and Bonding Assistance Program (CDABP), that will provide certified SBE, DBE and DVBE firms with access to working capital loans to provide cash flow support in conjunction with a contract you've been awarded on a Metro project – no matter if you're a prime, a sub or even a sub's – sub! This is just one example of Metro removing some of the barriers so your business can take full advantage of the wealth of opportunities to successfully do business with Metro and build your capacity for even more.

AVAILABLE FUNDING

Funding of up to \$350,000 is available using your Metro awarded contract as a collateral source to make a portion of your future contract progress payments available to you up front, so you have the funds you need to get your work underway covering your costs for labor or contract specific material purchases you're going to incur while you are awaiting progress payments.

ELIGIBILITY

The CFAP is available for SBE, DBE and DVBE Prime or Subcontractors performing Construction or Construction Professional Services (including architectural and engineering services, construction and program management, etc.) work on Metro contracts.

HOW IT WORKS

ENROLL IN METRO'S CDABP

Step 1: Complete the program enrollment form.

Step 2: Get prequalified for Metro's Contract Financing Assistance Program (CFAP). Qualifying for CFAP is not specifically based on your financials or credit history – loan funds advanced to you are collateralized by your contract proceeds.

Step 3: Once you're pre-qualified, our CFAP Team will take you through the process to assess your project cash flow needs. If you're looking to submit a bid on a Metro project now that you're prequalified, let our CFAP Team know so we can anticipate your potential need for funding through CFAP.

Step 4: The CFAP Team will work with the CFAP Community Development Financial Institution (CDFI) partners to submit a contract loan funding request for approval.

- Once approved, Metro's CDABP will establish a trust account for you where the approved loan funding will be deposited and available to directly pay your upcoming contract specific expenses, such as labor and purchase of materials.
- Upon receipt of your first contract progress payment, a portion of your loan will be repaid along with any other outstanding contract specific payables, with the balance of funds going to you for your overhead and reimbursement of other contract related expenses you funded directly. Funds through CFAP will be there for you as long as they're needed all the way through the final stages of the contract.

COST

Although this is not free money, Metro has arranged for this to be competitively priced credit with fees at 1% of loan value, and interest rates at 3-4% over the Prime Rate.

- Example: A \$100,000 loan with fee and interest to cover a 6 month project at current rates would cost \$6,178 which compares very favorably with other short term or credit card interest rates. (This is for illustration only on the calculation of finance charges as interest rates fluctuate.)

Metro covers all other costs to make this resource available to their small business contracting partners.

GET STARTED!

To get started or to obtain more information contact Metro's CFAP Administrator – Merriwether & Williams (MWIS) and schedule a meeting with a MWIS Contract Based Finance Analyst right away.

Email MWIS at mwisinfo@imwis.com or call at 213-258-3000.