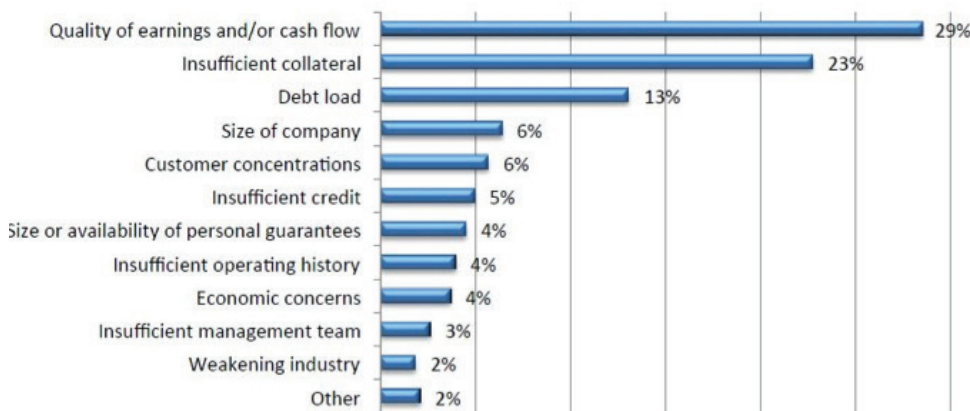


SBE NEWS ALERT

Why Business Loans Get Rejected

Figure 30. Reason for Declined Loans



Source: 2014 Capital Markets Report, Pepperdine University

By Doug Devereaux

Access to capital, especially access by small privately held companies, is a component of growth.

According to an article in Forbes magazine, citing data from Pepperdine University's 2014 Capital Markets Report, while nearly 89% of business owners report having the enthusiasm to execute growth strategies, only 46% report having the necessary capital resources to successfully execute the growth strategies. Among the smallest businesses (those with less than \$5 million in revenue) that sought bank loans in the previous three months, only 39% in the same study reported they were successful in securing a loan. It is also quite common for these small company owners to be turned down for loans and not know exactly the reasons why.

The Reasons Business Loans are Rejected

The President of New Markets and Community affairs at Northside Bank in Adairsville, Georgia, acknowledges that he often hears from business owners whose loan applications have been rejected by other banks and many times they are not told the reason for the denial. His bank is currently working with those clients to help them understand any credit-related shortcomings.

The Pepperdine's study found the top reason lenders rejected a business loan application was

the quality of the applicant's earnings or cash flow. Quality of cash flow refers to whether cash generated by the company is mostly driven by non-recurring sources of cash (e.g. sales of assets like real estate, etc.), by something unusual like late payments to vendors, or by profitable and sustainable sales. The challenges to proving good cash flow may be compounded when a company uses accounting practices that maximize expenses to depress cash and earnings and thereby minimize taxes. This strategy typically hurts owners when it's time to sell the business or apply for a loan, unless they can provide the buyer or lender with additional evidence of the business' profitability and earning power.

Insufficient collateral and debt load were the next most common reasons cited for loan denials according to the same study. Collateral typically includes, equipment, buildings, inventory or accounts receivables. Debt load includes existing outstanding debt, both long term and short term. Some banks may not require collateral for some borrowers, but overall most do for smaller businesses. The Pepperdine 2014 survey found that banks required collateral 100% of the time for loans of \$1 million, and personal guarantees were often required for loans below \$5 million. However, most lenders are not really interested in gaining ownership of the collateral, and are more interested in assurances that the loan will be repaid through sufficient cash flow.

The Significance of Cash Flow to Manufacturing Extension Partnership (MEP) centers working with Clients: It has been said that cash flow is the lifeblood of all business. Because it is cash that repays debt (and not necessarily collateral), demonstrating positive cash flow is key for companies.

MEP services that assist companies in achieving significant improvements in the competitive edge elements of process speed, product quality, costs, and business excellence, can help those companies demonstrate to lenders that they are capable of providing high-quality products as efficiently and profitably as possible while being very responsive to customer demand. MEP Centers that include in such services 'cash to cash' and 'call to cash' discussions with their clients, prepare companies with the insight on what lenders will look for when considering a loan application.

Continued on page 4

SBE OUTREACH SERVICES

With 1.5 million businesses in our database, SBE is California's #1 source for diversity outreach.

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Publisher of
Small Business Exchange
weekly newspaper

California Sub-Bid Request Ads

****THIS PROJECT HAS A 8% DBE Goal ****
PROJECT: Route 138-West of Phelan Rd to the Junction of Rte 15/Rte 2
North of Wild Horse Canyon Rd to Rte 138
Contract No.: 08-3401U4
Owner: California Department of Transportation
BID DATE: Thursday July 24, 2014 - BID TIME: 2:00 pm
Please respond by 5:00 p.m., July 23, 2014

We are seeking sub-bids from DBE subcontractors/subconsultants, and material and/or equipment suppliers in the areas of work included in, but not limited to: **LEAD COMPLIANCE PLAN, CONSTRUCTION AREA SIGNS, BARRICADES, PCMS, CRASH CUSHIONS, SWPPP, REAP, EROSION CONTROL, SWEEPING, BIOLOGIST, STRIPING & MARKING, BOX CULVERT, MBGR, ROADSIDE SIGNS, ROCK SLOP PROTECTION, AC PAVING, GRINDING, BRIDGE DECK SURFACING, DEMO, CLEAR & GRUB, REBAR, LANDSCAPE & IRRIGATION, RUMBLE STRIP, HYDROSEED, AC DIKE, FURNISH & DRIVE PILING, CIDH, JOINT SEAL, SHOTCRETE, SIGNS, RCP, PIPE, MISC IRON & STEEL, JACK AND BORE, FENCING, RAILING, CONCRETE BARRIER, ELECTRICAL, TRUCKING & HAULING, AGGREGATES, TRAFFIC CONTROL, ASPHALT OIL, BLASTING, FUEL SUPPLY**

Coffman Specialties, Inc. is signatory to Operating Engineers, Laborers, Teamsters, Cement Masons and Carpenters unions. Quotations must be valid for the same duration as specified by the Owner for contract award. Insurance and 100% Payment & Performance Bonds will be required. We will provide assistance/advice with obtaining Bonds/Insurance/Credit. Waiver of Subrogation will be required. Plans are available through our San Diego Office or Caltrans. We are an EOE & seriously intend to negotiate with qualified firms. Non-DBE Subs/Suppliers: Indicate 2nd tier DBE participation offered on your quotation as it will be evaluated with your price.



9685 Via Excelencia, Ste 200 • San Diego, CA 92126
 858-536-3100

Blocks 36-39 Hardscape and Infrastructure Project Advertisement
Mission Bay Development Group, LLC
is seeking Contractors for the Blocks 36-39 Hardscape and Infrastructure Project.

Scope of work for this project includes demolition, roadbase, asphalt, plane and overlay, sidewalk, storm drain, low pressure, reclaimed water, and joint trench work.

This project has a 50% SBE/LBEs goal. One set of bid documents will be distributed to each interested General Contractor.

Please contact **Cathy Serrano** of **Townsend Management, Inc.**, at (415) 355-6644 to order a bid set. A pre-bid conference will be held at 410 China Basin Street, San Francisco, CA on **Tuesday, July 29, 2014 at 2:00 PM.**

DeSilva Gates Construction, L.P. is soliciting for DBEs for the following project:
CONSTRUCTION ON STATE HIGHWAY IN LAKE COUNTY AT GLENHAVEN FROM 0.1 MILE WEST OF SAYRE AVENUE TO 0.2 MILE WEST OF ROUTE 53

Contract No. 01-0B0004,
Federal Aid Project No. ACSTP-P020(170)E

OWNER: STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
 1727 30th Street, Bidders' Exchange, MS 26, Sacramento, CA 95816

BID DATE: JULY 30, 2014 @ 2:00 P.M.

We hereby encourage responsible participation of local Disadvantaged Business Enterprises, and solicit their subcontractor or materials and/or suppliers quotation for the following types of work including but not limited to:

AC DIKE, ADJUST IRON, COLD PLANE, CONSTRUCTION AREA SIGN, CPM SCHEDULING CONSULTANT, CRACK SEALING, EMULSION SUPPLIER, FENCING, GUARDRAIL, LEAD COMPLIANCE PLAN, PAVING FABRIC, PREPARE WATER POLLUTION CONTROL PROGRAM, ROADSIDE SIGNS, RUMBLE STRIP, SLURRY SEAL, STRIPING, TEMPORARY EROSION CONTROL, TRAFFIC CONTROL, VEGETATION CONTROL, TRUCKING, WATER TRUCKS, STREET SWEEPING, HOT MIX ASPHALT (TYPE A) MATERIAL, RUBBERIZED HMA (GAP GRADE) MATERIAL.

100% Performance and Payment Bonds may be required for full amounts of the subcontract price. Surety company will have to be approved by DeSilva Gates Construction. DeSilva Gates Construction will pay bond premium up to 2%. Subcontractors must possess current insurance and worker's compensation coverage meeting DeSilva Gates Construction's requirements. Please call if you need assistance in obtaining bonding, insurance, equipment, materials and/or supplies. Plans and specifications are available for review at our Dublin office.

DESILVA GATES CONSTRUCTION, L.P.

11555 Dublin Boulevard
 P.O. Box 2909
 Dublin, CA 94568-2909
 (925) 829-9220 / FAX (925) 803-4263

Estimator: Tom Gunther
 Website: www.desilvagates.com

An Equal Opportunity Employer



Is requesting quotes from qualified DBE Subcontractors, Suppliers, and Service Providers for the following (but not limited to) work:

Survey, Traffic Control, SWPPP, Trucking, Soil Testing, Masonry, Fencing, Minor Structural Concrete, Landscaping, Electrical, Paving

Fletcher Recharge Basin Project
City of Orange, CA
Orange County Water District
Contract No. FB-2014-1

BID DATE July 29, 2014 @ 2:00 p.m.

Sub & Vendor Bids Due Prior

Sukut Construction, LLC

4010 W. Chandler Avenue, Santa Ana, CA 92704

Contact: Mike Greenlee

Phone: (714) 540-5351 • Fax: (714) 545-2003 • Email: estimating@sukut.com

Plans/specs are available for viewing at our office by appointment, or may be obtained from Owner. Subcontractors must be prepared to furnish 100% performance and payment bonds and possess current insurance and workers' comp coverage. Sukut Construction will assist Qualified Subcontractors in obtaining bonds, insurance, and/or lines of credit. Please contact Sukut Construction for assistance in responding to this solicitation. Subcontractors/Vendors will be required to sign Sukut's Standard Subcontract/Purchase Order. Copies are available for examination.

Sukut Construction's listing of a Subcontractor in its bid to the agency is not to be construed as an acceptance of all of the Subcontractor's conditions or exceptions included with Subcontractor's price quotes. Quotations must be valid for the same duration as specified by Owner for contract award.

Sukut Construction, LLC
An Equal Opportunity Employer

California Sub-Bid Request Ads

REQUESTING SUB-QUOTES FROM QUALIFIED SBE SUBCONTRACTORS/SUPPLIERS FOR:

Passenger Safety Improvements - Contract #14103

Owner: Santa Clara Valley Transportation Authority

Engineers' Estimate: \$1,000,000.

BID DATE: July 24, 2014 @ 1:30 PM

Items of work include but are not limited to: Traffic Control, Striping, Concrete Barrier Wall, Signs, Fencing Decorative Iron, Rebar, Electrical Loops and LED Sign, Quality Assurance and Schedule.

Granite Rock Company 'Graniterock' is signatory to Operating Engineers, Laborers, Teamsters, Carpenters and Cement Masons unions. 100% performance and payment bonds will be required from a qualified surety company for the full amount of the subcontract price. Bonding assistance is available. Graniterock will pay bond premium up to 1.5%. In addition to bonding assistance, subcontractors are encouraged to contact Graniterock Estimating with questions regarding obtaining lines of credit, insurance, equipment, materials and/or supplies, or with any questions you may have. Subcontractors must possess a current contractor's license, insurance and worker's compensation coverage. Subcontractors will be required to enter into our standard contract. Graniterock intends to work cooperatively with all qualified firms seeking work on this project. Granite Rock Company is an equal opportunity employer.

Granite Rock Company

120 Granite Rock Way, San Jose, CA 95136
Phone (408) 574-1400 Fax (408) 365-9548
Contact: Randy Bonino
Email: estimating@graniterock.com
We Are An Equal Opportunity Employer

Hunters Point Shipyard Opportunity to provide Professional Architectural Services

Lennar Urban is requesting qualified, interested Companies to respond to a public request for proposals through the Office of Infrastructure and Investment of the City of San Francisco. This work will be for BLOCK 48 (Hillside) of The Shipyard Development. For more information on this RFP, please visit:

<http://mission.sfgov.org/OCABidPublication/BidDetail.aspx?K=8304>
MBEs/WBEs/SBEs/LBEs are encouraged to respond.

**Pre-Bid Conference
July 18th, 2014 at 2:00pm PST**

LENNAR URBAN

1 Sansome Street, Suite 3200
San Francisco, CA 94104

**Proposals must be submitted by
August 13, 2014 @ 4:00pm PST**

REQUESTING BIDS FROM QUALIFIED DBE SUBCONTRACTORS AND SUPPLIERS FOR THE FOLLOWING PROJECT:

**Rt. 4, 5, 99, 205 - Various Loc Bridge Rehab
San Joaquin County, Caltrans Project #10-OW6904, Bid Date: July 23, 2014 at 2:00 pm**

We hereby encourage responsible participation of local Disadvantaged Business Enterprises (10% Goal), and solicit their subcontractor or material quotation for the following types of work. This is a highway project with the typical items of work associated, but not limited to: Lead Compliance Plan, Construction Area Signs, Traffic Control System, Temporary Traffic Stripe, Temporary Pavement Marker, Portable Changeable Message Sign, Job Site Management, Prepare Water Pollution Control Program, Temporary Concrete Washout, Remove Thermoplastic Traffic Stripe, Public Safety Plan, Rapid Setting Concrete, Remove Thermoplastic Pavement Marking, Remove Pavement Marker, Remove Channelizers, Remove Asphalt Concrete Dike, Cold Plane Asphalt Concrete Pavement, Remove Unsound Concrete, Prep Concrete Bridge Deck Surface, Treat Bridge Deck, Furnish Bridge Deck Treatment Material, Remove Epoxy Chip Seal, Hot Mix Asphalt, Superpave (Type A), Place Hot Mix Asphalt (Type C, E, F), Tack Coat, Aggregate Base, Structural Concrete, Paving Notch Extension, Clean Expansion Joint, Joint Seal, Thermoplastic Traffic Stripe, Thermoplastic Pavement Marking, Pavement Marker, Maintain Existing Traffic Management System Elements During Construction, Construction/Equipment Rentals, Trucking, etc.

C.C. Myers, Inc. is willing to break down items of work into economically feasible units to encourage DBE participation. If you are interested in any of this work, please provide us with a scope letter or contact us immediately. Plans and Specifications are available from Caltrans at: www.dot.ca.gov/hq/esc/oe.

Conditions or exceptions in Subcontractor's quote are expressly rejected unless expressly accepted in writing. Subcontractor and Supplier quotes are required 24 hours prior to the bid date to enable thorough evaluation.

C.C. Myers, Inc.



3286 Fitzgerald Rd. • Rancho Cordova, CA 95742 • 916-635-9370 • Fax 916-635-1527

Each Subcontractor shall be prepared to submit faithful performance and payment bonds equal to 100% of their quotation. The Contractor will pay standard industry rates for these bonds.

Contact C. C. Myers, Inc. for assistance with bonds, insurance, lines of credit, equipment, supplies or project plans and specifications. C.C. Myers, Inc., is a Union Contractor.

AN EQUAL OPPORTUNITY EMPLOYER

REQUESTING BIDS FROM DBE/MBE/WBE and OBE (Other) Subcontractors and Suppliers for:

**Project: Welded Steel Pipe & Appurtenances for Ultraviolet Disinfection Plant, Los Angeles
Project Owner: Los Angeles Department of Water & Power**

Bid Date: 8/5/2014 @ 2:00 pm

(Please respond at least 48 hours prior to bid date)

Requesting Quotes for the following: Trucking (Freight), Nuts, Bolts and Gaskets, Flanges, Mechanical Couplings, Small Diameter Buyout Pipe & Fittings, Bulkheads, Linings and Coatings, Hardware and Machined Parts

Please submit bids prior to bid date and include any certification you may have. Items can be broken down and delivery schedules can be accommodated to facilitate maximum participation. Northwest Pipe Company will assist with Bonding, Insurance, Materials and/or line of credit to all qualified respondents if necessary. Northwest Pipe Company does not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers.

Specifications can be obtained at no charge from Northwest Pipe Company via email.

For technical questions or assistance, please contact **Michael DeMascio** at **714.965.2305**,
Fax: **714.964.5503** or email: **MDeMascio@nwpipe.com**

Northwest Pipe Company

1101 California Avenue, Suite 100, Corona, CA 92881
Phone: 714-965-2305 • FAX: 714-964-5503

Invitation to bid JCHS Student Life Center Construction Project

Plant Construction Company invites subcontractors to bid on the **Jewish Community High School Student Life Center Project**. The Office of Community Investment and Infrastructure (OCII)/Successor Agency to the SFRA certified MBE/WBE/SBE/LBE subcontractors are strongly encouraged to bid. Project has a 50% SBE goal and Work Force goal is 50% S.F. Residents with first consideration for resident of the Western Addition. A Pre-Bid Meeting will be held on Thursday, July 2nd at 10:00am at Plant Construction Company, 300 Newhall Street in SF. Bids are due on July 21st, 2014 at 11:00am. Plans and Specs are available for viewing at Plant Construction 300 Newhall Street in SF. Send Bids to Jeremy Littman of Plant Construction at (415)550-1357 fax or by e-mail: jeremy1@plantco.com.

Public Legal Notices

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ADVERTISEMENT FOR CM/CONTRACTOR PREQUALIFICATION **RE-ADVERTISED**

NOTE: Bidders who successfully prequalified during the initial prequalification period for this project are not required to submit any further documentation, nor attend the below-specified Prequalification Conference.

The following is a summary of a full Advertisement for Prequalification (CM/Contractor) posted on the UCLA Online Planroom website (<https://www.uclaplanroom.com/>). **All interested parties must go to the Website for complete information.**

Subject to conditions prescribed by the University of California, Los Angeles, responses to the University's prequalification documents for a CM at Risk contract (on which the University is considering utilizing Best Value Selection methodology) are sought from prospective general contractor bidders (hereafter "bidders") for the following project:

Project Name: Football Performance Center

Project Number: 943971.01

General Description of Work: Football Performance Center: The Project shall construct a 72,000 gsf building to accommodate the football program at UCLA. **Site Precinct Scope:** The site precinct scope shall upgrade existing infrastructure including sewer, storm drain, electrical and telecommunications to support the new building and future development within the adjacent area. **Refer to website for complete description.**

Anticipated Contract Value is \$43,000,000.

Prequalification Documents Available at: <https://www.uclaplanroom.com>

Prequalification Document Submittal Locations:

Contracts Administration
University of California, Los Angeles
1060 Veteran Avenue, Suite 125
Box 951365
Los Angeles, California 90095-1365
310-825-7015

OR

UCLA Planroom website
<https://www.uclaplanroom.com>

Dates:

Prequalification Document Availability:
July 17, 2014

Mandatory Prequalification Conference:
July 24, 2014

Beginning promptly at 1:30 p.m.
(THERE IS NO GRACE PERIOD)
Prequalification Submittal Deadline:
3:00 p.m., August 5, 2014

License Requirement: B-License (General Building)

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA



GOLDEN GATE BRIDGE HIGHWAY & TRANSPORTATION DISTRICT

NOTICE INVITING BIDS

The Golden Gate Bridge, Highway and Transportation District (District) seeks bids for **2015-BT-1, San Rafael Bus Facility Main Shop Roof Replacement**. Interested Bidders must submit sealed bids to the Office of the Secretary of the District by **Tuesday, August 5, 2014, 2:00 p.m., PT**, at which time bids will be publicly opened and read.

This public works Project consists of, in general, removing and replacing an existing roof at the San Rafael Bus Facility Main Shop building located in San Rafael, CA. The Work includes removal and disposal of existing roofing, plywood, parapet caps, skylights, parapet access ladders, and an HVAC unit; and installation of new roofing, parapet caps, skylights, parapet access ladders, an HVAC unit, and a new roof hatch and ladder; and all other work items as required to complete the Project titled San Rafael Bus Facility Main Shop Roof Replacement, as shown on the Contract Plans and as specified in the Bid Documents.

A non-mandatory pre-bid conference and a job site tour will be held at the San Rafael District Conference Room, Administration Building, 1011 Andersen Drive, San Rafael, CA on **Wednesday, July 23, 2014, at 10:00 a.m., PT.**

This is a Public Works contract. Bidders bidding as the prime contractor shall possess a valid **State of California Class A General Engineering Contractor's License or a State of California Class B General Building Contractor's License, or a Class C39 Roofing Contractor's License with a minimum experience of three (3) similar projects with public agencies in the past five (5) years at the time of Contract award.** All subcontractors, if any, shall be properly licensed by the State of California to perform specialized trades. Contractor or subcontractor responsible for the roofing removal work shall be licensed for asbestos abatement by the State of California and shall perform all work in accordance with Cal-OSHA regulations. Bidder shall submit satisfactory qualifications and experience listed above in bidding documents.

District reserves the right to reject any and all bids or to waive any irregularities or informalities in any bid or in the bidding procedure. No Bidder may withdraw its bid for a period of ninety (90) days after the date of opening bids.

The successful Bidder shall furnish a performance bond and a payment bond in amounts equal to one hundred percent (100%) of the total price of the Contract. Pursuant to Public Contract Code Section 22300, the successful Bidder may submit certain securities in lieu of the District withholding funds from progress payments (retention) during the Project.

In accordance with Section 1720 et seq. of the Labor Code, the general prevailing wage rates as established by the Director of the California Department of Industrial Relations will apply to this Contract. The prevailing wage rates established by the California Department of Industrial Relations can be viewed at the District's Engineering Office, and are available at <http://www.dir.ca.gov/DLSR/PWD>.

To inspect and obtain Contract Documents, go to the District's web site home page at <http://www.goldengate.org>, click on Contract Opportunities, scroll down to Bus Division and look for Contract Number **2015-BT-1**. Contract Documents are also available from the Contracts Office, Administration Building, Golden Gate Bridge Toll Plaza, San Francisco, CA, 94129-0601, by e-mail at contractoffice@goldengate.org, by telephone at (415) 923-2229, or by facsimile at (415) 923-2357. There is a non-refundable purchase price of fifty dollars (\$50) for hard copies of the Contract Documents. Full sized Contract Plans, not available for download, will be available for purchase for an additional thirty dollars (\$30).

/s/ Lori Murray,
Procurement Director
Dated: July 8, 2014
7/10, 7/17/14
CNS-2641083#
SMALL BUSINESS EXCHANGE



Why Business Loans Get Rejected

■ Continued from page 1

Moreover, company owners considering an ownership transfer at some point in the future will need to think about the value of their company. Since valuations are often based on cash flow or the company's earning power, improving an understanding on how a company ranks (e.g. are expenses too high compared against sales or compared with competitors) relative to those in the same industry or same geographic area, can be an invaluable instrument to help client companies and business owners.

Applying for a business loan can be frustrating and stressful, and it is confusing to have an application denied with little explanation. But while different banks have requirements and standards when it comes to loan applications, the Pepperdine study reveals that the universal requirement cited is still tied to a company's cash flow and quality of earnings—i.e. "Cash is King."

Doug Devereaux is a Senior Industrial Specialist at MEP

Source: The Minority Business Development Agency (MBDA)