

## Message from the President

There is no doubt that 2019 was a historic year for Puerto Rico. Since our last newsletter, Puerto Rico has new leadership, for reasons no one could have anticipated. In addition, Puerto Rico has yet to receive the FEMA and CDBG funds it was promised which has inevitably delayed reconstruction work. Yet, through all these distractions the SAPR has remained focused on promoting surety bonds and collaborating with government agencies to ensure that public projects are adequately and properly bonded. I take this opportunity to thank the membership for all the support provided this year and request your continued help and support in the coming year.

Wishing you all happiness and success always,

*Nancy Cruz*

## Executive Committee:

President:	Nancy Cruz
Vice President:	Duhamel Iglesias
Secretary:	Jose Rovayo
Treasurer:	Eric García

## Contact us:

[suretyassociationpr@gmail.com](mailto:suretyassociationpr@gmail.com)



*Annual Lunch  
2019*

The SAPR had its annual lunch for members and invited guests on Thursday, August 8, 2019 at the Club Náutico se San Juan.

At the lunch, we welcomed the new Executive Committee. Our invited guest speaker was Mr. José B. Carrión III, Chairman of the Fiscal Oversight and Management Board (FOMB).

This was an excellent opportunity to update the group on the work being done by the Board and discuss Puerto Rico's economic challenges and the potential effects on our industry. Thank you to all who were able to attend.



During the lunch, Nancy Cruz, the current President of the SAPR presented a plaque to Javier Santiago of United Surety & Indemnity Co., and former President of the SAPR, in recognition of al his hard work, dedication and contributions to the SAPR since its inception in 2017.



## Suggestions/Ideas

We welcome any suggestions or ideas for topics you want to see covered at our next event or any surety industry issues you believe need to be addressed by SAPR. You may contact us at [suretyassociationpr@gmail.com](mailto:suretyassociationpr@gmail.com). Thank you.



### *PR Housing Department Meeting*

On July 3, 2019 we had our first meeting with Mr. Dennis González, Deputy Secretary, Joel Hernandez, Director, Contract Administration and members of their staff to discuss the bond requirements and the status of the CDBG funding for the continued reconstruction of the island.

The meeting was very informative for the team. We covered the requirements for bonding, the use of bonding capacity letters and surety and reinsurance capacity. A few months later, when Housing began awarding the contracts, they contacted the SAPR for a consultation regarding bond amount vs. contract amount and bond forms. We are happy to report that the Housing Department implemented some of our suggestions, including the use of AIA bond forms, and we continue to work with them on the other warranty bond requirements.



### *Consultation with AFI regarding Bonding Capacity Letters*

Javier Santiago of United Surety & Indemnity met with Leonardo Torres, Sub Executive Director and Fernando Rodriguez, Assistant to the Director regarding what the surety analyzes prior to issuing a bonding capacity letter.

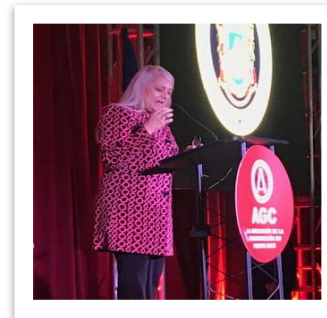
AFI has included language in their form that indicates the surety has evaluated the bidder's financial statement, work in progress and outstanding bids to date. It also indicates that the information is given as a "courtesy...without responsibility or obligation on the part of the surety, its officers, agents and attorneys in fact." AFI has also provided SAPR members a link to their web page for outstanding bid docs and bid results:

<http://www.afi.pr.gov/Subastas>

### *Annual Convention – AGC PR Chapter*

On August 22<sup>nd</sup> to the 25<sup>th</sup> members of the Executive Committee of the SAPR attended the Associated General Contractors Annual Convention at the hotel Wyndham Rio Mar. The following speakers were featured at the Executive Conference on Friday:

- Hon. Wanda Vázquez, Governor of Puerto Rico
- Natalie Jaresko, Executive Director, FOMB
- Ottmar Chavez, Executive Director, COR3
- Eng. Carlos Pesquera, Capital Improvements Program Management
- Joaquin Villamil, Economist, Estudios Técnicos:



On Friday at the Gala Event, the Alejandro S. Herrero Award 2019 was presented to a Jose "Pepin" Cestero of Puerto Rico Wire Group.

For the first time in the history of the convention, the Saturday morning program was dedicated to the topic of women in construction. The presentations of the morning program as well as the panel presentation were organized by the Women in Construction Committee of the AGC. Among the topics discussed with the invited speakers and the panel were the challenges and opportunities for women in the industry. At the end of the program a video was presented by the committee where women shared their personal experiences. Finally, the leaders of the companies' present were asked to commit to hiring more women.

## *Holiday Party*

On December 5 the SAPR hosted its first Holiday Party at the *Terraza de Multinacional* facilities. Our members, partners and invited guests participated in the festivities. It was a great moment to spend time with our colleagues, eat some delicious food and even dance! Don't miss the next one! A special thanks to Christian Figueroa of Multinacional and his team for helping us make this a success!



The SAPR is planning to apply for the "Advocacy Award" of the Surety and Fidelity Association of America (SFAA). Every year the SFAA recognizes the work done by local associations that have had a significant impact in promoting surety bonds. We hope to qualify this year given the work we have done with local government agencies!

## *Communications*

For those who issue bonds in the USVI, the VI Port Authority has included three sets of different performance and payment bonds in their request for proposals during 2019. All forms contained onerous language. Through the efforts of one of our SAPR members and their customer, VIPA accepted AIA 312 bond forms on various projects in 2019.

## *What's coming next ...*

- **Annual meeting of surety members**
- **Seminar - Analysis of Financial Statements**
- **Annual Lunch**