

South Dakota Disadvantaged Business Enterprise

# Newsletter

November 2024



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# Paving the Way to Profit:

## Overcoming Cash Flow Challenges and Growing Revenue

by Project Solutions Inc. Team

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The heavy construction industry, especially in government contracting, is known for its high barriers to entry and complex financial challenges. For subcontractors, these issues can be even more pronounced as they often face unique cash flow pressures due to the structure and payment cycles of government contracts. Unlike private contracts, government projects frequently involve stringent payment schedules, bureaucratic red tape, and a need for substantial upfront capital. However, with the right financial strategies, subcontractors working on government projects can stabilize their cash flow, ensure project continuity, and ultimately grow their revenue.



Here are 6 ways that firms can overcome cash flow obstacles and pave the way to profit.

### 1. Understanding Government Payment Cycles and Aligning Cash Flow Needs

First, subcontractors should gain a clear understanding of the payment cycles typical of government contracts. Payment schedules for these projects are often longer than those in the private sector and may involve various stages of approval before funds are released. Recognizing these cycles allows subcontractors to anticipate delays and align their cash flow needs with the timing of payments. By forecasting cash inflows and outflows against the expected government payment schedule, subcontractors can identify critical points when cash flow may be strained and take proactive steps to secure short-term financing or renegotiate payment terms with their suppliers.

Moreover, understanding the rules and processes around invoice approvals can help subcontractors streamline payment collection. Subcontractors should ensure they submit timely, error-free invoices that comply with government requirements to avoid costly delays. Developing a detailed and compliant invoicing process tailored to the demands of government contracts will increase the likelihood of prompt payment, aiding in smoother cash flow management.

### 2. Negotiating Favorable Payment Terms with Prime Contractors

Subcontractors working on government contracts can improve cash flow by collaborating with primes to optimize payment terms and conditions. Given that government contracts often include strict payment schedules, subcontractors should work closely with primes to understand and align with the government's billing cycles. By negotiating milestone or progress payments based on specific project deliverables, subcontractors can ensure they receive funds incrementally rather than waiting until the entire project phase is complete. Additionally, subcontractors can request "pay-when-paid" clauses, which legally oblige prime contractors to remit payments promptly upon receiving funds from the government, helping minimize delays. Open communication with the prime contractor about cash flow needs can also be beneficial, as some primes may be willing to negotiate advance payments or shorter payment terms, especially if it strengthens the subcontractor's ability to deliver work efficiently. This collaborative approach not only supports the subcontractor's cash flow but also contributes to the overall success of the project by ensuring a more financially stable project team.



### **3. Leverage Financing Options to Bridge Cash Flow Gaps**

When project cash flow is tight, subcontractors can turn to financing options tailored to the construction industry. Government subcontractors can consider solutions such as lines of credit, invoice factoring, or short-term loans to bridge cash flow gaps. These options can be particularly beneficial for government subcontractors, as they enable access to working capital without the need to wait for payments from prime contractors or government entities.

Invoice factoring, for instance, allows subcontractors to sell their outstanding invoices to a third-party factoring company in exchange for an advance on the amount due. This provides immediate cash that can be used to cover payroll, equipment rentals, and material costs, helping subcontractors maintain uninterrupted operations. Another option is to establish a line of credit, which gives subcontractors flexible access to funds as needed to cover expenses during lean periods. By working with financial advisors or lenders familiar with government contracting, subcontractors can choose the best financing solutions to support their cash flow needs and keep projects running smoothly.

### **4. Control Project Costs Through Efficient Resource Management**

Cost overruns are a common reason for cash flow issues in the construction industry. Delays, material waste, and labor inefficiencies can lead to ballooning costs, impacting profitability and cash flow. By focusing on resource management, firms can not only control costs but also increase their operational efficiency.

One approach to efficient resource management is to implement construction project management software. These digital tools allow for real-time tracking of project resources, budgets, and timelines, helping managers identify potential cost overruns early. Project managers can optimize material usage by ordering the right quantities, minimizing waste, and sourcing materials at competitive prices. Additionally, managing labor schedules effectively can prevent costly downtime or overtime expenses.

Another cost-control measure is adopting lean construction practices, which focus on minimizing waste and maximizing value. Lean principles, such as continuous improvement and resource efficiency, can lead to better project outcomes with lower costs. By taking a proactive approach to managing resources, firms can keep their projects within budget and avoid unexpected cash drains.

### **5. Diversify Revenue Streams to Reduce Cash Flow Vulnerability**

Relying on a single government contract or a limited range of projects can make a construction firm more vulnerable to cash flow disruptions if a single client delays payment or a project stalls. By diversifying revenue streams, construction companies can reduce this dependency on a single project or client, creating a more resilient cash flow model.

There are several ways construction firms can diversify. Subcontractors can pursue a mix of government and private sector contracts to balance long and short payment cycles. Government projects often offer large contracts but come with longer payment terms, while private sector jobs may be smaller but offer quicker payouts. Combining the two can create a more balanced cash flow profile. Additionally, subcontractors may explore smaller, high-turnover projects such as maintenance, repair, or infrastructure support, which require less capital and offer quicker returns.





Overcoming cash flow challenges is no small task, but with strategic planning, it is possible to mitigate the risks and drive revenue growth. By understanding government payment cycles, negotiating favorable terms with prime contractors, leveraging short-term financing, managing resources efficiently, and diversifying revenue streams, subcontractors can navigate cash flow challenges effectively.

Expanding into related services, such as equipment rental or construction consultancy, is another way to diversify income. By offering value-added services to existing clients or tapping into new customer bases, construction companies can reduce their reliance on a few high-cost, long-duration projects. In addition, focusing on specific industry sectors, such as government contracts or renewable energy projects, can provide stability and help balance cash flow over time.

## Upcoming Training & Events

**Nov. 21** **Prevailing Wage Essentials**  
Webinar  
Thursday, November 21, 2024  
1:00 PM - 2:00 PM CST | Free  
[Learn More>](#)

**Dec. 4** **Labor Planning's Impact on Productivity**  
Webinar  
Wednesday, December 4, 2024  
12:00 PM - 1:00 PM CST | Free  
[Learn More>](#)

**Dec. 3** **City of Sioux Falls Contracting Expo: A Gateway to Business Opportunities**  
Sioux Falls Convention Center  
1201 West Avenue Sioux Falls, SD  
Tuesday, December 3, 2024  
9:00 AM - 1:00 PM CST | Free  
[Learn More>](#)

**Dec. 10** **Holiday Women In Networking Luncheon - Rapid City**  
The Rushmore Hotel & Suites  
445 Mt. Rushmore Rd. Rapid City, SD  
Tuesday, December 10, 2024  
12:30 PM - 2:30 PM CST | Cost: \$35  
[Learn More>](#)

**Dec. 3** **SD DBE 101 Webinar**  
Webinar  
Tuesday, December 3, 2024  
11:00 AM - 12:00 PM CST | Free  
[Learn More>](#)

# Invitation to Bid

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## Invitation to Bid #1:

The Office of the State Engineer on behalf of the South Dakota Department of Education

### Request for Qualifications

#### Construction Manager at Risk (CMR) Services

The Office of the State Engineer, on behalf of the South Dakota Department of Education, is soliciting Statements of Qualifications from firms interested in providing Construction Manager at Risk services required for the construction of two projects at Mitchell Technical College, Mitchell, South Dakota, the **New Powerline Underground Lab**, OSE# TCM25--01X and the **Technology Center, Renovate Amphitheater and Commons Area**, OSE# TCM25--02X.

The first project includes the new construction of a 34,000 sq.ft. indoor underground power pole lab building with construction anticipated to begin in spring of 2025 or spring of 2026, pending project approval. The second project includes the renovation of the Technology Center's amphitheater and Commons Area with the construction anticipated to begin in October of 2026. Both project dates are subject to change. These projects could potentially have different Architectural/Engineering firms involved with the design services. Also, note that the two projects will have separate contracts.

The construction budgets for the projects are estimated to be \$6,500,000.00 for the first project and \$1,700,000.00 for the second project but be advised that these numbers are subject to change. The completion date for both projects is **May of 2027**.

Firms desiring to be considered for providing professional CMR services for this project should send a Statement of Qualifications that must include examples of past experience on projects with similar size and/or common scope elements. The statement should be a list of projects completed for private and/or universities, state government, and/or local government, and should also include resumes of key personnel and sub consultants who will be assigned to this job. The Statement of Qualifications must also explain how your firm has provided innovative ideas (via examples or methods) that have had a positive impact on schedule, cost, quality, and/or value; discuss your ideas for maintaining a "transparent" structure for bidding and estimating, and explain methods used to ensure qualified, yet cost competitive, subcontracted work. Include owner contact information for your last three comparable CMR projects completed. Evaluation of the proposals will be based on qualification as a Construction Manager at Risk according to ranking criteria below:

1. Specialized expertise, capabilities, and technical competence as demonstrated by the team's capabilities, proposed approach and methodology to meet the project requirements. (35%)
2. Resources available to perform the work, including any specialized services, within the specified time limits for the project. (20%)
3. Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration. (20%)
4. Availability to project locale. (5%)
5. Familiarity with project locale. (5%)
6. Proposed project management techniques. (5%)
7. Ability and project history in handling special project constraints. (10%)

A technical review committee will review the proposals and select a shortlist of firms. Those firms will then be interviewed by the Building Committee, who will make the final selection. The committee respectfully requests that statements of interest be limited to 25 pages or less. This is not a requirement; merely a request.

Copies of the Statement of Qualifications must be submitted by 4:00 PM CT on November 21, 2024. Please send recyclable hard copies and electronic copies (media or e-mail attachment) as quantified to each of the following:

(1 electronic copy)

Todd Baack

Project Engineer

Office of the State Engineer

Sioux Falls Office

523 East Capitol Avenue

Pierre, SD 57501

Phone: 605-280-4360

E-mail: [Todd.Baack@state.sd.us](mailto:Todd.Baack@state.sd.us)

(3 hard copies, 1 electronic copy)

Jared Hofer

Chief Financial Officer

Mitchell Technical College

1800 East Spruce Street

Mitchell, SD 57301

Phone: 605-995-7141

Email: [Jared.Hofer@mitchelltech.edu](mailto:Jared.Hofer@mitchelltech.edu)

Firms wanting additional project information should contact the OSE contact above. Before submitting on this project, please review the OSE template CMR contract, General Conditions, and Guaranteed Maximum Price (GMP) Limitations available upon request. The State's Contract Terms, General Conditions and GMP Limitations are non-negotiable. Thank you for your interest in this project; we look forward to working with you.

### Office of the State Engineer

Published twice at the total approximate cost of\_\_\_\_\_.

### Invitation to Bid #2:

#### The Office of the State Engineer on behalf of the South Dakota Game, Fish & Parks

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Game, Fish & Parks at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=lae2e61097b09610447ef64ef053af50](https://www.sd.gov/cs?id=sc_cat_item&sys_id=lae2e61097b09610447ef64ef053af50) until **November 21, 2024 at 3:30 PM CT** for the **Sewer System Infra., Replacement & Distribution Box CAT 5.2, Farm Island Recreation Area, Pierre, South Dakota**, OSE#G 2123-28X/ARPA.

There will NOT be a pre-bid meeting. Campus contact is Ryan Raynor, 605-773-2885, [ryan.raynor@state.sd.us](mailto:ryan.raynor@state.sd.us). OSE contact is Brandon Carda, 605.295.1570, [brandon.carda@state.sd.us](mailto:brandon.carda@state.sd.us).

Copies of the Plans and Specifications may be obtained by bidders at the office of Brosz Engineering, 3030 Airport Rd. Box 23 Pierre, SD 57501. A/E Contact: Chancey Shrake, PE, 605-224-1123, [chanceys@broszengineering.com](mailto:chanceys@broszengineering.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Bureau of Human Resources and Administration of the State of South Dakota. The BHRA reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here:

<https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

### Office of the State Engineer

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### **Invitation to Bid #3:**

#### **The Office of the State Engineer on behalf of the South Dakota Board of Regents**

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Board of Regents at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=3565200cdbad165091ce9f95f396199b](https://www.sd.gov/cs?id=sc_cat_item&sys_id=3565200cdbad165091ce9f95f396199b) until **November 21, 2024 at 2:30 PM CT** for the **Campus Wide, Sewer & Storm Sewer Infrastructure CAT5.2, USD Discovery District, Sioux Falls, South Dakota**, OSE# R0923—01X/ARPA.

There will NOT be a pre-bid meeting. Campus Contact is Ryan Oines, 605-728-7926, [ryan@usddiscovery.com](mailto:ryan@usddiscovery.com). OSE Contact is Sara Norstrom, 605-280-6606, [sara.norstrom@state.sd.us](mailto:sara.norstrom@state.sd.us).

Copies of the Plans and Specifications may be obtained by bidders at the office of Sayre Associates, Inc., 216 S Duluth Ave Sioux Falls, SD 57104 Contact: Adam Slowey, 605-332-7211, [adams@sayreassociates.com](mailto:adams@sayreassociates.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Board of Regents of the State of South Dakota. The BOR reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

### **Office of the State Engineer**

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### **Invitation to Bid #4:**

#### **The Office of the State Engineer on behalf of the South Dakota Board of Regents**

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Board of Regents at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=2ce7a04c976dd25095b5791ad053afc0](https://www.sd.gov/cs?id=sc_cat_item&sys_id=2ce7a04c976dd25095b5791ad053afc0) until **November 26, 2024 at 3:30 PM MT** for the **Surbeck Center, Addition, SDSMT, Rapid City, South Dakota**, OSE# R0724--03X.

There will be an on-site pre-bid meeting on **November 12, 2024 at 9:00 AM MT**. All bidders can meet at the Foundation Building Ballroom. This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Jerilyn Roberts, 605-394-6729, [Jerilyn.Roberts@sdsmt.edu](mailto:Jerilyn.Roberts@sdsmt.edu). OSE contact is Steve Mezger, [steve.mezger@state.sd.us](mailto:steve.mezger@state.sd.us), 605-549-0121.

Copies of the Plans and Specifications may be obtained by bidders at the office of Co-op Architecture, 600 Kansas City St., Rapid City SD, 57701. A/E Contact: Jared Carda, 605-716-3652, [jared@co-oparch.com](mailto:jared@co-oparch.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made

payable to the Board of Regents of the State of South Dakota. The BOR reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

#### **Office of the State Engineer**

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#### **Invitation to Bid #5:**

#### **The Office of the State Engineer on behalf of the South Dakota Board of Regents**

#### **Request for Design-Build Proposals**

The Office of the State Engineer on behalf of the South Dakota South Dakota Board of Regents is soliciting Design-Build Proposals at the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, South Dakota 57501-3182 ATTN: Nick Wassilak until **November 27, 2024 at 3:00 PM MT** for the **Vanderboom, Solar Addition, SDSMT, Rapid City, South Dakota**, OSE# R0725-03X. Cost proposals accepted until opened publicly on **December 5, 2024 at 3:30 PM MT** on the electronic bid platform at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sysid=894d22a747515250854b61d2e16d4391](https://www.sd.gov/cs?id=sc_cat_item&sysid=894d22a747515250854b61d2e16d4391). Be aware any public improvement must be designed by a licensed Architect/Engineer, licensed in South Dakota, per SDCL §5-18B-45.

There will be an on-site pre-bid meeting on **November 7, 2024 at 9:00 AM MT**. All bidders can meet at main lobby of the Vanderboom Labs Building (Old Ascent building). This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Jerilyn Roberts, 605-394-6729, [Jerilyn.Roberts@sdsmt.edu](mailto:Jerilyn.Roberts@sdsmt.edu). OSE contact is Steve Mezger, [steve.mezger@state.sd.us](mailto:steve.mezger@state.sd.us).

The Design-Build Request for Proposals, including the performance criteria for this project, as well as general project info, is available by contacting Steve Mezger, OSE Senior Engineer at [steve.mezger@state.sd.us](mailto:steve.mezger@state.sd.us), 605-549-0121.

Each Price Proposal in excess of \$100,000.00 must be accompanied by a 10% bid bond issued by a surety authorized to do business in the State of South Dakota and made payable to the Board of Regents of the State of South Dakota OR certified check, cashier's check or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank or a. The BOR reserves the right to reject any or all bids and to waive any irregularities therein.

Qualitative and Management shall be sealed in separate envelopes. Please include 1 copy of the Quantitative and Management Proposals for the Technical Review Committee. Price proposal will be accepted on the electronic bid platform.

#### **Office of the State Engineer**

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#### **Invitation to Bid #6:**

#### **The Office of the State Engineer on behalf of the South Dakota Board of Regents**

#### **Request for Design-Build Proposals**

The Office of the State Engineer on behalf of the South Dakota Board of Regents is soliciting Design-Build Proposals at the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, South Dakota 57501-3182 until **December 3, 2024 at 3:00 PM CT** for the **SWFR 0827, New Swine Teaching and Research Facility, South Dakota**



**State University, Brookings, South Dakota**, OSE# R0325--08X. Sealed cost proposals will be opened publicly on **December 10, 2024 at 3:30 PM** on the OSE Electronic Bidding platform.

Proposals will be received for the design and construction of a 600-head wean-to-finish swine unit. Be aware any public improvement must be designed by a licensed Architect/Engineer, licensed in South Dakota, per SDCL §5-18B-45.

There will be an on-site pre-bid meeting on **November 20, 2024 at 10:00 AM CT**. All bidders can meet at the Facilities and Services Office, in the Large Conference Room on the campus of South Dakota State University. This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Luke Witte, Project Manager/Engineer, 605-688-4136, [luke.witte@sdstate.edu](mailto:luke.witte@sdstate.edu). OSE contact is Todd Baack, [Todd.Baack@state.sd.us](mailto:Todd.Baack@state.sd.us), 605-280-4360.

The Design-Build Request for Proposals, including the performance criteria for this project, as well as general project info, is available at the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, South Dakota 57501-3182.

Each Price Proposal in excess of \$100,000.00 must be accompanied by a certified check, cashier's check or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank or a 10% bid bond issued by a surety authorized to do business in the State of South Dakota and made payable to the Board of Regents of the State of South Dakota. The BOR reserves the right to reject any or all bids and to waive any irregularities therein.

Please include one copy of each, Qualitative and Management proposals in separate sealed envelopes for the Technical Review Committee.

#### **Office of the State Engineer**

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#### **Invitation to Bid #7:**

#### **The Office of the State Engineer on behalf of the South Dakota Department of Game Fish & Parks**

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Department of Game Fish & Parks at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=bd85a5de47a5d6d0fc1303dc426d4349](https://www.sd.gov/cs?id=sc_cat_item&sys_id=bd85a5de47a5d6d0fc1303dc426d4349) until **December 4, 2024 at 3:00 PM CT** for the **(Phase 1) Construct Drainfield, Util Reno, Lift Stat Rep CAT 5.1, Game Fish & Parks, Ft. Sisseton State Park, Lake City, South Dakota**, OSE# G2123--10X/ARPA.

There will NOT be a pre-bid meeting. Campus contact is Tyler Ulrich, 605-773-5244, [tyler.ulrich@state.sd.us](mailto:tyler.ulrich@state.sd.us). OSE contact is Steven Palmer, [steven.palmer@state.sd.us](mailto:steven.palmer@state.sd.us), 605-295-1215.

Copies of the Plans and Specifications may be obtained by bidders at the office of DGR Engineering, 1300 S Highline Avenue, Sioux Falls, SD 57110. A/E Contact: Aaron Miller, 605-339-4157, [aaron.miller@dgr.com](mailto:aaron.miller@dgr.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made

payable to the Bureau of Human Resources and Administration of the State of South Dakota. The BHRA reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

Complete digital project bidding documents are available at [www.questcdn.com](http://www.questcdn.com). You may download the digital plan documents by inputting Quest project #9408300 on the website's Project Search page. Please contact [QuestCDN.com](http://QuestCDN.com) at 952-233-1632 or [info@questcdn.com](mailto:info@questcdn.com) for assistance in free membership registration, downloading, and working with this digital project information. An optional paper set of the proposal forms and specifications for individual use may be obtained from the office of the Engineer, DGR Engineering, 1300 S. Highline Ave., Sioux Falls, SD 57110, telephone 605-339-4157, Fax 605-339-4175, e-mail: [dgr@dgr.com](mailto:dgr@dgr.com). Resident South Dakota contractors who intend, in good faith, to bid upon this project may obtain a paper set of these documents free of charge. All proposals shall be submitted through the South Dakota Office of the State Engineer's online bidding process.

#### **Office of the State Engineer**

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#### **Invitation to Bid #8:**

##### **The Office of the State Engineer on behalf of the South Dakota Board of Regents**

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Board of Regents at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=644686af476d5214fc1303dc426d43e9](https://www.sd.gov/cs?id=sc_cat_item&sys_id=644686af476d5214fc1303dc426d43e9) until **December 4, 2024 at 2:00 PM CT** for the **Spafford Hall, HVAC Upgrade, Northern State University, Aberdeen, South Dakota, OSE# R0124- -15X.**

There will be an on-site pre-bid meeting on **November 14, 2024 at 10:00 AM CT**. All bidders can meet at Physical Plant Conference Room. This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Doug Leidholt, 605-228-5237, [douglas.leidholt@northern.edu](mailto:douglas.leidholt@northern.edu). OSE contact is Sean Campbell, 605-295-4165, [sean.campbell@state.sd.us](mailto:sean.campbell@state.sd.us).

Copies of the Plans and Specifications may be obtained by bidders at the office of Sichmeller Engineering, Inc., 801 Railroad Ave. SE, Aberdeen, SD 57401. A/E Contact: Travis Sichmeller, 605-225-4344, [traviss@siceng.biz](mailto:traviss@siceng.biz). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Board of Regents of the State of South Dakota. The BOR reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

#### **Office of the State Engineer**

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#### **Invitation to Bid #9:**

##### **The Office of the State Engineer on behalf of the South Dakota Board of Regents**

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Board of Regents at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=d0b28c8e87e11e50e0410f28cebb35cf](https://www.sd.gov/cs?id=sc_cat_item&sys_id=d0b28c8e87e11e50e0410f28cebb35cf) until **December 5, 2024 at 3:00 PM MT** for the **Wenona Cook Resident Hall, Air Conditioning, Black Hills State University, Spearfish, South Dakota**, OSE# R0824--02X.

There will be an on-site pre-bid meeting on **November 14, 2024 at 10:30 AM MT**. All bidders can meet at Facilities Building Conference Room. This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Randy Culver, 605-642-6157, [randy.culver@bhsu.edu](mailto:randy.culver@bhsu.edu). OSE contact is Cami Widvey, PE, 605-910-4799, [cami.widvey@state.sd.us](mailto:cami.widvey@state.sd.us).

Copies of the Plans and Specifications may be obtained by bidders at the office of TSP, Inc., 677 Cathedral Drive Suite 302, Rapid City, South Dakota 57701. A/E Contact: Chris Maks, PE, 605-343-6102, [maksch@teamtsp.com](mailto:maksch@teamtsp.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Board of Regents of the State of South Dakota. The BOR reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

#### **Office of the State Engineer**

Published twice at the total approximate cost of\_\_\_\_\_.

#### **Invitation to Bid #10:**

#### **The Office of the State Engineer on behalf of the South Dakota Department of Game Fish & Parks**

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Department of Game Fish & Parks at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=9d1765d247e5d6d0fc1303dc426d43b2](https://www.sd.gov/cs?id=sc_cat_item&sys_id=9d1765d247e5d6d0fc1303dc426d43b2) until **December 5, 2024 at 3:00 PM CT** for the **(Phase 2) Construct Drainfield, Util Reno, Lift Stat Rep CAT 5.1, Game Fish & Parks, Ft. Sisseton State Park, Lake City, South Dakota**, OSE# G2123--10X/ARPA.

There will NOT be a pre-bid meeting. Campus contact is Tyler Ulrich, 605-773-5244, [tyler.ulrich@state.sd.us](mailto:tyler.ulrich@state.sd.us). OSE contact is Steven Palmer, [steven.palmer@state.sd.us](mailto:steven.palmer@state.sd.us) 605-295-1215.

Copies of the Plans and Specifications may be obtained by bidders at the office of DGR Engineering, 1300 S Highline Avenue, Sioux Falls, SD 57110. A/E Contact: Aaron Miller, 605-339-4157, [aaron.miller@dgr.com](mailto:aaron.miller@dgr.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Bureau of Human Resources and Administration of the State of South Dakota. The BHRA reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

## Office of the State Engineer

Published twice at the total approximate cost of\_\_\_\_\_.

### Invitation to Bid #11:

#### The Office of the State Engineer on behalf of the South Dakota Department of Game Fish & Parks

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Department of Game Fish and Parks at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=7e17816647a5de50237fbd51026d43ed](https://www.sd.gov/cs?id=sc_cat_item&sys_id=7e17816647a5de50237fbd51026d43ed) until **December 5, 2024 at 4:00 PM MT** for the **Center Lake/Black Hills Playhouse CAT 5.2, Custer State Park, Custer, South Dakota**, OSE# G2123--07X/ARPA.

There will be an on-site pre-bid meeting on **November 14, at 1:00 PM MT**. All bidders can meet at Park office. This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Jayme Severyn, 605-910-4379, [jayme.severyn@state.sd.us](mailto:jayme.severyn@state.sd.us). OSE contact is Steve Mezger, [steve.mezger@state.sd.us](mailto:steve.mezger@state.sd.us) 605- 280-4526.

Copies of the Plans and Specifications may be obtained by bidders at the office of KLJ, 18 E. Main St.. A/E Contact: Tim Hartmann, 605-872-5004, [tim.hartmann@kljeng.com](mailto:tim.hartmann@kljeng.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Bureau of Human Resources and Administration of the State of South Dakota. The BHRA reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

## Office of the State Engineer

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### Invitation to Bid #12:

#### The Office of the State Engineer on behalf of the South Dakota Department of Human Services

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Department of Human Services at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=fb06bc2f4729d290237fbd51026d43d3](https://www.sd.gov/cs?id=sc_cat_item&sys_id=fb06bc2f4729d290237fbd51026d43d3) until **December 12, 2024 at 3:30 PM CT** for the **Chapel, Siding Window and Door Replacement, South Dakota Developmental Center, Redfield, South Dakota**, OSE#H1125--05X/HSMR.

There will be an On-Site Pre-Bid Meeting on **November 19, 2024 at 2:30 PM CT**. All Bidders can meet at Physical Plant Conference Room at the South Dakota Developmental Center. This Pre-Bid Meeting is optional but is the bidders only opportunity to review the site. Campus Contact is Shay Malsom, 605- 472-4452, [shay.malsom@state.sd.us](mailto:shay.malsom@state.sd.us). OSE Contact is Brandon Carda, 605-295-1570, [brandon.carda@state.sd.us](mailto:brandon.carda@state.sd.us).

Copies of the Plans and Specifications may be obtained by bidders at the Office of Ciavarella Design Inc. 1600 N Main Street, Mitchell, SD 57301. A/E Contact: Emma Stevens, 605-996-3735, [Emma@ciavarelladesign.com](mailto:Emma@ciavarelladesign.com). Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.



Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Bureau of Human Resources and Administration of the State of South Dakota. The BHRA reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

### Office of the State Engineer

Published twice at the total approximate cost of\_\_\_\_\_.

### Invitation to Bid #13:

#### The Office of the State Engineer on behalf of the South Dakota Department of Human Services

Electronic bids will be accepted by the State Engineer on behalf of the South Dakota Department of Human Services at [https://www.sd.gov/cs?id=sc\\_cat\\_item&sys\\_id=6d8fc66347211690237fbd51026d434e](https://www.sd.gov/cs?id=sc_cat_item&sys_id=6d8fc66347211690237fbd51026d434e) until **December 12, 2024 at 2:30 PM CT** for the **Granite, Window Replacement, South Dakota Developmental Center, Redfield, South Dakota**, OSE# H1125—03X/SWMR.

There will be an on-site pre-bid meeting on **November 19, 2024 at 1:30 PM CT**. All bidders can meet at Physical Plant Conference Room at the South Dakota Developmental Center. This pre-bid meeting is optional but is the bidders only opportunity to review the site. Campus contact is Shay Malsom, 605- 472-4452, [shay.malsom@state.sd.us](mailto:shay.malsom@state.sd.us). OSE contact is Brandon Carda, 605-295-1570, [brandon.carda@state.sd.us](mailto:brandon.carda@state.sd.us).

Copies of the Plans and Specifications may be obtained by bidders at the office of Ciavarella Design Inc, 1600 N Main Street, Mitchell, SD 57301. A/E Contact: Emma Stevens, 605-996-3735, [Emma@ciavarelladesign.com](mailto:Emma@ciavarelladesign.com), Anyone requesting, reviewing, or copying Plans and Specifications for this project agrees that they are doing so for the sole purpose of submitting a bid on the project. Bidder further agrees the Plans and Specifications are the sole property of the State.

Each bid in excess of \$100,000.00 must either pre-mail a certified check, cashier's check, or draft in the amount of 5% of the base bid and all add alternates and drawn on a State or National Bank to the Office of the State Engineer, Joe Foss Building, 523 East Capitol Ave, Pierre, SD 57501-3182, or upload a copy of their 10% bid bond to their electronic bid issued by a surety authorized to do business in the State of South Dakota and made payable to the Bureau of Human Resources and Administration of the State of South Dakota. The BHRA reserves the right to reject any or all bids and to waive any irregularities therein. All active bids can be found here: <https://boa.sd.gov/state-engineer/adv-advertisements.aspx>

### Office of the State Engineer

Published twice at the total approximate cost of\_\_\_\_\_.



# Upcoming Bid Lettings

*For December 4, 2024*

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1. NH-CR-EM 0018(195)103 (PCN 04FC, 06N3); Oglala Lakota SWPPP = 15.10 AC; Urban Grading, Curb & Gutter, Storm Sewer, Lighting, PCC Surfacing, ADA, Signal; US18 - In Pine Ridge Fm 2 Blocks N of SD407 to E of Indian Health Rd; SD407 - In Pine Ridge Fm Cherry Hill Ct to US18
2. 2211 01441( ) (PCN X06L); Oglala Lakota; Replace Water Line; US18 - In Pine Ridge Fm 2 Blocks N of SD407 to E of Indian Health Rd
3. NH-P-PH 0079(87)129, NH 0212(193)28 (PCN 04L0, 06CP); Butte SWPPP = 13.60 AC; Grading, Asphalt Concrete Surfacing & Resurfacing; SD79 N & S - From the beginning of the divided section to the Jct of US212 S of Newell; SD79 - Fm Jct of US212 in Newell N 0.25; US212, US212 E & W - Fm Nisland to SD79 in Newell
4. P 0079(88)133, NH 0212(202)38 (PCN 06G1, 06G2); Butte SWPPP = 1.50 AC; ADA & Sidewalk; SD79 - Through Newell; US212 - Through Newell
5. BRO-B 8030(19) (PCN 08MT); Hand SWPPP = 0.90 AC; Structure (3-12'x6' Precast RCBC) & Approach Grading; Structure 6 E & 8.4 N of Miller on 366th Ave over Wolf Ck SN 30-220-166
6. BRO-B 8034(35) (PCN 08MX); Hutchinson SWPPP = 1.76 AC; Structure (3-12'x5' Precast RCBC) & Approach Grading; Structure 1.3 N & 11.3 E of Parkston on Co Rd 11 over Plum Ck SN 34-173-057
7. P-PT 016A(15)26, P-B 016A(10)37 (PCN 06QK, 04G1); Custer SWPPP = 4.95 AC; Structure's (2-12'x12' CIP RCBC, 2-9'x7' CIP RCBC, 2-8'x7' CIP RCBC) & Approach Grading, Cold Milling, Asphalt Concrete Resurfacing, Pipe Work, Modify Intersection, Bridge Rail Upgrade, Inslope Restoration; US16A - Fm 2 E of Custer to SD36; US16A - 1 W of SD36 Over Grace Coolidge Creek
8. IM 0909(98)396 (PCN 091T); Minnehaha SWPPP = 1.40 AC; LSDC Overlay, Approach Slabs, Pavement, Rails, Joints; I90 E & W - I90/I29 Interch over I29 Drainage Ditch & I90/I229 Interch over I229
9. PT 0014(238)203 (PCN 06X7); Stanley SWPPP = 4.90 AC; Slide Repair, Erosion Control, Pipe Work; US14 - Fm 8 E to 11 E of Hayes

# Upcoming Bid Lettings

*For December 11, 2024*

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1. NH-CR 0014(185)229 (PCN 026Z); Hughes SWPPP = 40.00 AC; Urban Grading, Curb & Gutter, Sidewalk, Signals, Storm Sewer, Lighting, Asphalt Concrete Surfacing, PCC Surfacing; US14 -(Euclid) Fm Sioux Ave to the Divided Hwy W of SD1804 in Pierre
2. 436 ( ) (PCN X05W); Hughes; Water Main Improvement and Sewer Manhole Adjustments; US14 Euclid Ave - Fm Sioux Ave to N of 8th St.

3. BRF-B 6642(03), BRO-B 8017(10), BRO-B 8017(11) (PCN 08NT, 08NU, 08NV); Custer SWPPP = 0.60 AC; Structure (10x6 Precast; 2-8x7 Precast; 3-5' RCP Pipe Culverts), Approach Grading; Structure 8.4 E & 2.7 N of Custer on a State Park Rd over Center Lake Inlet (GF&P OWNED) SN 17-314-043
4. BRO-B 8062(11) (PCN 08NC); Tripp SWPPP = 2.93 AC; Structure (3-12x9 CIP RCBC) & Approach Grading; Structure 5.5 E & 6.75 N of Colome on 279th St over W Br of Bull Ck SN 62-325-290
5. P 0079(84)232 (PCN 06TD); Harding SWPPP = 27.00 AC; Structure (196' Prestressed Girder Bridge) & Approach Grading; SD79 - Str 0.1 S of the ND Border Over the N Fork of the Grand River
6. CR 0294(74)114 (PCN 080D); Brookings, Moody SWPPP = 48.98 AC; Variable Speed Limit & ITS Device; I29 - Fm Exit 114 (Flandreau) to 3 N of Exit 133 (Brookings)
7. IM-P-B 0905(00)212, IM 0905(125)212 (PCN 097Q, 09YP); Jones, Lyman; Asphalt Concrete Surfacing, CRC Pavement Repair; US83 - Detour for Interchange Reconstruction at Exit 212, Fm I90 on 293rd Ave, SD248 to US83, SD248 -Fm Murdo to Vivian, Exit 214 Ramps, I90 WF - Fm Exit 208 to SD248, I90 E-Exit 212
8. NH 0012(316)137 (PCN 09EJ); Corson; Asphalt Concrete Surfacing of Shoulders; US12 - Fm 5 E of McIntosh to McLaughlin

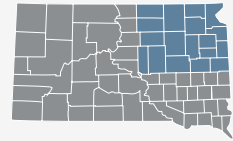
*Did you know?*



Project Solutions, Inc. (PSI) is offering the Smart Start to strategic planning session to all SD certified DBEs. This is a great way to kickstart your firm's path to growth. Strategic planning often feels daunting, but with this focused, streamlined start, PSI will help you identify core goals, align your team's vision, and set realistic, high-impact objectives for growth.

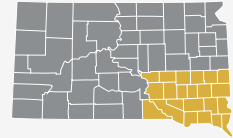
If you are interested in taking advantage of the Smart Start Strategic Planning contact PSI at [dbe@projectsolutionsinc.com](mailto:dbe@projectsolutionsinc.com) today to get started!

## Regional Lettings



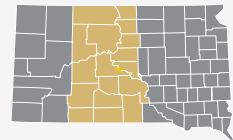
### Aberdeen Region

None.



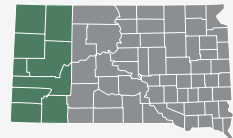
### Mitchell Region

None.



### Pierre Region

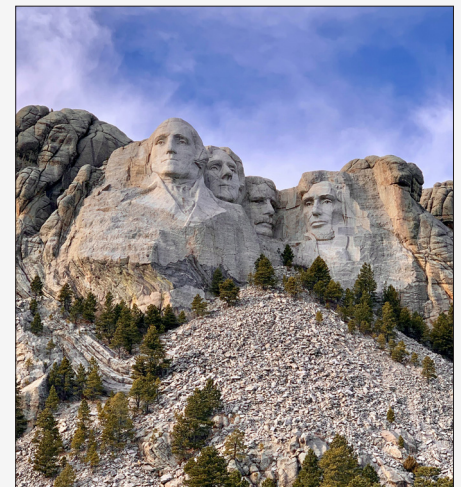
None.



### Rapid City Region

None.

*For listings please visit the [SDDOT website's Regional Lettings here](#)*





# Strategic Year-End Heavy Equipment Purchases: A Path to Financial Growth

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As the year draws to a close, business owners—particularly those in the construction industry—may find themselves considering a year-end heavy equipment purchase. This decision can offer a range of benefits, from optimizing taxable income to enhancing operational capabilities, ultimately positioning a business for success in the year ahead. By strategically purchasing heavy equipment before year-end, business owners can reduce their fiscal load, gain a competitive edge, and ensure smoother operations moving forward. Below, we explore the advantages of such purchases, the critical tax benefits available through Section 179, and various financing options that allow for more flexible and cost-effective equipment acquisitions.

## Section 179: A Key Tax Break for Business Owners

One of the most compelling reasons for making a year-end heavy equipment purchase is to take advantage of Section 179 of the IRS tax code, which allows businesses to deduct the full purchase price of qualifying equipment in the year it is purchased. This deduction helps businesses reduce their taxable income and, by extension, their overall tax liability.

In simple terms, **Section 179 allows businesses to deduct the full cost of qualifying purchases in the same tax year**—even if they financed the equipment, rather than paying in full upfront. For example, if a business buys \$100,000 worth of equipment, they can potentially deduct the full \$100,000 from their taxable income. This reduces the taxable income, effectively lowering the amount of taxes owed. When combined with depreciation benefits, the Section 179 deduction becomes a powerful tool for reducing tax burdens and boosting a company's financial health.

The deduction works regardless of whether the equipment is purchased outright, financed, or leased. The key is that the equipment must be used for business purposes more than 50% of the time. **The Section 179 deduction for 2024** allows businesses to deduct up to **\$1,220,000** of equipment purchases, provided the total equipment cost does not exceed **\$3,050,000**. Once equipment purchases surpass the \$3,050,000 threshold, the available deduction begins to phase out. It's important to note that Section 179 differs from **bonus depreciation**, which is a percentage-based deduction rather than a dollar-based one. Therefore, consulting with a tax professional is essential to navigate these options effectively and to determine which one offers the most significant benefit for a specific business.





### **Tax Benefits of Leasing, Buying, and Rental Purchase Options**

In addition to the Section 179 deduction, businesses have multiple avenues for acquiring heavy equipment: **leasing**, **borrowing (financing through loans)**, and **rental purchase options (RPOs)**. Each of these options has its own set of benefits, and the choice largely depends on a business's needs, project timelines, and long-term goals.

### **Leasing Equipment: Flexibility for Short-Term Needs**

Leasing equipment is an attractive option for businesses that need equipment for short-term projects or seasonal work. With leasing, companies can enjoy **smaller monthly payments** than if they were to purchase the equipment outright. In addition, lease payments are often tax-deductible, which can help businesses offset some of the operational costs. At the end of the lease term, businesses may also have the option to purchase the equipment at a discounted rate. Leasing is ideal for businesses in industries with **high equipment turnover** or those working in **harsh environments** where equipment wears out quickly.

### **Rental Purchase Option (RPO): Build Equity with Flexibility**

The **Rental Purchase Option (RPO)** provides another layer of flexibility. This option allows businesses to rent equipment initially and then decide at the end of the term whether to purchase it. It's a great choice for businesses with **uncertain project durations** or for those new to using heavy equipment. The RPO allows companies to test equipment before committing to a full purchase while also building equity over time.

### **Financing (Loan): Long-Term Ownership**

For companies seeking **long-term ownership**, financing through a loan is the most traditional and straightforward option. While it typically requires a larger upfront down payment, the business gains immediate ownership of the equipment, which can be an asset for operations that rely on consistent, day-to-day use of the machinery. The financing term can vary, with many businesses opting for a **36-month term** for construction equipment. This option is ideal for businesses that need to own their equipment outright and plan to use it for several years.

### **Interest Rates and Terms**

When it comes to financing, interest rates can vary depending on the equipment cost, the company's credit profile, and the lender's terms. **Standard loan rates** typically range from **6% to 9%**, though some dealers offer

**subsidized financing** with **0% interest** on certain pieces of equipment or for specific promotional periods. The **financing term** can vary, with options ranging from **12 to 60 months**, and sometimes even extending to **72 months** for smaller equipment such as mini-excavators. Businesses should compare rates, terms, and fees across different lenders to find the most advantageous deal. The application process is typically straightforward, especially when financing through a manufacturer's lending partner. A simple one-page credit application is generally all that is needed to apply.

### How to Finance Heavy Equipment

The application process for financing or leasing heavy equipment can be fairly simple. Typically, businesses will need to provide some basic information, such as the **company's legal name, address, phone number, tax ID**, and the **financing amount** being requested. Some lenders may also require a **personal guarantee**, especially if the business is relatively new or has limited credit history. Once the application is submitted, businesses can usually receive an approval decision within minutes.

If approved, the funds are disbursed directly to the dealer, and the equipment is delivered to the business. For established businesses with good credit histories and strong financials, financing terms are often competitive, and securing favorable interest rates is common. However, businesses with weaker credit histories may need to provide additional documentation or consider offering a down payment to increase their chances of approval.



### Depreciation Deductions: A Major Benefit of Section 179

A significant benefit of Section 179 is the **depreciation deduction** available for businesses that purchase qualifying equipment. Depreciation allows businesses to write off the cost of equipment over time. However, Section 179 allows businesses to deduct the full purchase price upfront. This immediate deduction can provide a **substantial tax savings**, especially for large purchases. By leveraging this deduction, a business that purchases equipment worth \$100,000 could effectively reduce its tax bill by \$35,000 (assuming a 35% tax rate).

### Conclusion: Making the Most of Year-End Equipment Purchases

For business owners in the construction industry, a strategic year-end equipment purchase can lead to a healthier financial outlook for the upcoming year. Not only does it provide immediate tax benefits through **Section 179**, but it also offers flexibility in terms of financing and operational needs. Whether through **leasing**, a **Rental Purchase Option (RPO)**, or **financing** through a loan, businesses can select the most suitable option based on their project timelines and financial goals.

Ultimately, combining the tax advantages of Section 179 with the right financing approach can give businesses in the construction industry a **competitive edge** while improving their cash flow and financial position. It's crucial to work closely with a tax advisor to understand the full scope of potential savings and ensure that the equipment