

The Geney/Gassiot, Inc. Case Study

Synopsis: Your company is managing a \$95.5 million seismic upgrade and construction of an acute care health facility campus in Truckee, California.

The project is among the most difficult and complex engagements imaginable due to the harsh seasonal climate in the area, the extensive array of state mandated health care and inspection regulations, and the fact that the facility must remain open and operative for patients during construction.

Mark Richardson and Pinnacle Surety arrange for \$65 - \$75 million in bonding capacity, get your company bonded with a top level underwriter, and negotiate a better surety premium for the bonds in the process.

The Story: Geney/Gassiot, Inc. (<http://www.geneygassiot.com/>) based in Reno, NV, is a prominent general contractor and construction management firm in the Truckee/Lake Tahoe region. Founded in 1981, it has expanded into the greater Northern California and Northern Nevada markets. The company has expertise in a wide variety of project types including mountain resorts, commercial and retail structures, hospitality developments, expansive and comprehensive health care projects, and finally worship and other community facilities.

This health related series of projects involved a campus wide hospital seismic upgrade, construction of a state-of-the-art cancer center, and significant underground work in Truckee, California. The phasing, duration, and complexity of the OSHPD regulations (Office of Statewide Health Planning & Development) made this job unique in its scope and in the challenges it presented.

The construction contract itself differed substantially from typical construction contracts. According to Mike Geney, President and CEO of Geney/Gassiot, Inc., “This is a uniquely crafted contract, designed entirely from scratch and not in any way typical within the construction industry. Mark took the time to research it, digest it, and understand it both in terms of the complexities involved contracting with a California Special District as well as the opportunity the business plan presented.”

The next step was equally, if not more important. Geney/Gassiot, Inc. had been with a smaller surety underwriter. Mark was able to convey through salesmanship, creativity, and hard work the essence of this complicated project to a top surety underwriter. One of the largest and most prominent surety writers in the country wrote the initial \$18 million bond for the first series of projects and Geney/Gassiot, Inc. anticipates at least 3 more bond placements, the next one being in the \$14 - \$15 million range.

The final coup was negotiating a better surety premium from the underwriter. The impact of Pinnacle’s efforts for Geney/Gassiot, Inc. has been significant. “It created a ripple effect,” said Mike Geney.

Conclusion: The Geney/Gassiot, Inc. story is another example of how Pinnacle Surety lives up to its claim – “We go the extra mile for you.”