

New Zealand Smart Restrooms excel in the United States

The Challenge: Meeting a 100% surety bond requirement for a contract into the United States

The Solution: The Treasury's New Zealand Export Credit team (NZEC) arranged a surety bond to be issued in support of Exeloo's contract

The Benefit: Exeloo was able to meet the bonding requirement and deliver their contract to a new US buyer



When Auckland INTELLIGENT public toilet manufacturer Exeloo won a City of Colorado Springs tender for the supply and installation of a US\$300,000 public restroom, it entered a very steep learning curve.

The fine print of the tender documents, which ran to many hundreds of pages, included mention of a “standard bonding system”. This didn’t register with the Kiwis, who had been selling toilets in New Mexico, Atlanta and California for many years, but hadn’t yet encountered Colorado’s unique requirements for securing state government contracts.

Exeloo sales and marketing manager Craig van Asch confirmed it was a stressful time, with having just 10 business days to find a local specialist bond provider to post a surety bond that was equivalent to 100% of their contract value.

Help for Exeloo came courtesy of an introduction years earlier by New Zealand Trade and Enterprise Customer Manager, Richard Barrand. “I knew what our colleagues at NZEC were able to do, and so I thought I’d connect them and see what might come of it,” Richard recalls.

Exeloo’s leadership team had filed away their knowledge about NZEC and, when they suddenly had to find a solution for a \$300,000 surety bond, they knew exactly who to call.

“We didn’t know we needed them, until we did,” Craig says.

NZEC’s Business Originator, Thomas Sheng explains that a surety bond is often required for federal or state government funded projects in the US and Canada. They provide assurance to the buyer that the contracted work will be performed and any losses incurred due to a contractor’s non-performance will be indemnified. Surety bonds are often between 50% to 100% of the contract value and required to be issued by specialist surety bond providers, instead of banks.

Surety bonds can be difficult for New Zealand companies to obtain because these companies may not be known by the US surety bond providers or are unable to meet their minimum financial criteria.

Craig says as soon as Exeloo called, the NZEC team got to work.

“They jumped straight on it and were fantastic. Even with the level of forensic accounting required to satisfy their assessment, they moved like lightning and we had it done within the specified contract time.”

Thomas says “Exeloo had a sound financial position and proven performance. Managing Director, Dan Glew, impressed us with a deep knowledge of his business, and a transparent and efficient style in providing clear and up-to-date information.”

NZEC arranged for the surety bond to be issued by Liberty Mutual Insurance Company in the US. “NZEC has an indemnity arrangement with Liberty Mutual, which gives them the confidence to issue the surety bond on behalf of Exeloo”, explains Thomas.

Craig says, “the Colorado Springs sale would never have happened without NZEC”.

“The success of this first sale in a new state contributes to our story in a key way. It helped us break ground with a new customer, generate momentum across our broader US market and helped us better manage our developing market cash flows. It was also a big learning for us and we have translated this experience for use in our home State of California.

Exeloo has subsequently secured a first sale with the Los Angeles Parks Authority, the single largest municipal parks operator in the world, providing a sensor operated public restroom in North Hollywood. “LA Parks is responsible for management of all of the municipal parks spaces including playground structures and shelters, street furniture and public restrooms for all 86 cities that make up the Los Angeles District.”

With North Hollywood, Napa, St Helena, Hayward, LA Metro and now North Hollywood toilets now operating, talks are well advanced for more units and the future looks bright for this home-grown Kiwi success story.

<http://exeloo.com/>

If you want to understand more about how our [Surety Bond Guarantee](#) may help you export growth then [click here](#) or get in touch:

Call us: 04 917 6060

Email: export.credit@treasury.govt.nz

Website: <https://exportcredit.treasury.govt.nz/>



Thomas Sheng
Business Originator