DRS Bond Management Says Demand For Advance Payment Bonds On The Increase

September 21, 2015

September 21, 2015 - PRESSADVANTAGE -
UK leading Surety specialist DRS Bond Management is noting a marked increase in the demand for Surety solutions for Advance Payment Bond requirements as more and more subcontractors in the construction industry have to meet requests for fixed prices.

Tendering requirements are frequently asking for fixed prices from the main contractor. However, materials manufacturers are not always willing to fix their prices up front.

Subcontractors therefore need to minimise the risks of quoting in this environment by purchasing the materials now, but getting them manufactured later when required. On substantial contracts that is a significant undertaking that needs to be underpinned by a bond.

An Advance Payment Bond protects the beneficiary by guaranteeing upfront payments for goods or services needed under the contract following, either insolvency or, the misuse of funds. It is usually put in place for the full amount of the payment, reducing on milestones agreed, certified and invoiced.

Chris Davies and Fiona Recker, Joint Managing Directors, DRS Bond Management, said:

?For many years now the construction supply chain has had little bargaining power. However, the boot now appears to be on the other foot. Fortunately, Surety products offer the opportunity for subcontractors to meet fixed pricing requirements without placing a cash flow stranglehold around their company?s neck.?

About DRS Bond Management

DRS Bond Management is one of the UK?s leading independent Surety specialists. Their unique Bonding? process and long-standing collaborative relationships with leading Sureties means that they ensure that every DRS Surety solution is as unique as the business it is required for.

DRS arranges Surety solutions for a vast range of bonding needs, including; Performance Bonds, Retention Bonds, Advance Payment Bonds, Highways Bonds, NHBC Bonds, Bid Bonds, Duty Deferment Bonds, Rural Payment Agency ("RPA") Bonds, Waste Resources Action Programme ("WRAP") Bonds, Transfrontier Shipment of Waste Bonds, Restoration Bonds, Letter of Credit Replacement Guarantees. From SME to plc, from alternatives to bank guarantees, to innovative solutions for insurance captives, DRS is at the forefront of the growth and application of Surety, both in the UK and on a global platform. Find more information at http://drsbonds.co.uk/products/advance-payment-bonds.php and at http://drsbonds.co.uk/surety.php.
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DRS Bond Management

"DRS Bond Management is one of the UK?s leading independent Surety specialists. Many different types and sizes of companies need to meet bonding requirements. Every situation is different.

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