

2. A copy of the three (3) most recent financial statements audited by an independent third party or a statement from the Proposer regarding how financial information may be reviewed by the Agency.

### **FINANCIAL GUARANTEE**

GILLIG has provided our **FINANCIAL RESPONSIBILITY** overview and **FINANCIAL REFERENCE LIST** for your information.

GILLIG confirms we have the financial resources to bid, manufacture, and deliver on schedule, the vehicles proposed for this procurement.

The proposal excludes the requirement for a Performance Bond to be provided by the successful bidder. However, GILLIG submits a reference letter from our surety showing our ability to obtain financial guarantees due to our financial ability.

GILLIG confirms we can supply the "Confidential" financial reports on request. Please contact:

WILLIAM F. FAY, JR., VICE PRESIDENT, SALES  
PHONE: 800-735-1500  
EMAIL: sales@gillig.com



## QUALIFICATIONS

### FINANCIAL RESPONSIBILITY

**GILLIG's financial strength and stability is renowned** in our industry, and is openly acknowledged by our competitors, our suppliers, and business experts.

### **CUSTOMER BENEFITS:**

GILLIG's financial strength is obviously good for Gillig but it is even better for our customers because they benefit from our strength and stability. Our customers know they can count on us, through thick and thin, to support them; to be there for them, to always deliver the best quality and value, because they know we will still be in business and we have the resources to do what is needed. **We do not need to compromise or cut corners** to save a dollar because the strength of our balance sheet allows us to make the best decision for our customers. Customers also appreciate and enjoy the confidence and security our financial strengths and stability bring.

### **INDUSTRY FAILURES:**

The last 20 years have been devastating for North American bus manufacturers, except GILLIG. **Every other bus manufacturer has failed, closed down, been sold off or forced to "refinance" in that period, some 3 or 4 times, yet GILLIG has remained intact.** Gone are Orion, MAN, Volvo, Scania, Flexible, GM Truck & Bus, S&S, TMC, Neoplan, etc., and forced sales, closures or refinancing has happened to NABI (Crown Ikarus, Ikarus USA, American Ikarus, First Hungarian Fund, Cerberus Capt. M'ment.), New Flyer (Western Flyer, Manitoba Dev. Corp., Den Ousten, KPS, Harvest Partners), Bluebird (Luce Bros., MBO, Volvo/Henlys, bankruptcy and restructuring.) Except for GILLIG, the average life of a bus manufacturer in North America has only been about 4 to 5 years, yet **you** are still expected to keep those buses running for 12 to 15 years!

Most of GILLIG's current competitors have been taken over in the last few years and are now owned or controlled by investment companies, and their current CEO's have only 4 or 5 years of industry experience. Whereas GILLIG is still privately held and family owned (3<sup>rd</sup> generation Chicago family) — and has had two (2) CEO's over 42 years - partially explaining our long-term focus, our consistency, our industry commitment, our depth of experience and our ability to know what our transit customers need.

### IMPORTANCE OF FINANCIAL STRENGTH:

**The dismal performance of other bus manufacturers, contrasted against the stunning performance of GILLIG, proves our financial responsibility and should be one of the most compelling reasons to select GILLIG — you need a partner with a solid track record, because you'll need their support for the next 15 years.**

GILLIG is profitable and has been for the last 30 years. We have no external long-term debt, and sufficient assets to run our business. Our payment history is clean, just ask our suppliers “which bus OEM pays them the best” (see our vendor references). We virtually have no bonding limit and an untarnished record with our surety (see letter attached). We do not need progress payments and have more than enough cash to run our operations and successfully complete your contract.

### LONG TERM VIABILITY IS CRITICAL:

When buying a 15 year product, it is always important to consider the long-term viability of the manufacturer. However, in these uncertain times, it is critical that the financial viability of the bidders is evaluated properly and weighted appropriately in the final decision. All the promised product features or quick deliveries, all the contractual terms and liquidated damages, all the warranty agreements or low prices are worth very little if the company goes bankrupt, is liquidated or forced to sell off; and as indicated above, that happens too often in our industry (about 1/year). **Bonding ability is a good gauge of financial strength and past performance.** A bidder that has trouble bonding, or has poor financials, should be considered too risky and disqualified as not responsible (or at least severely penalized in their financial evaluation).

### SATISFACTION AND FINANCIAL STRENGTH:

**Long term customer satisfaction is directly linked to the seller's financial strength and performance.** A company in financial trouble cannot afford the time and resources to do things properly; its managers are always looking for corners to cut and its good employees are always looking elsewhere for better jobs, leaving below-average employees to build below-average products that achieve below-average customer satisfaction. Whereas a financially strong company can weather the storms, can keep the best people and can afford the little extras to guarantee customer satisfaction. **Strong companies can focus on products and customers --- weak companies have to focus on cutting corners and paying banks interest.**

### SATISFACTION GUARANTEE:

GILLIG's financial responsibility, our financial stability, performance and strength are your best guarantee of long-term customer satisfaction and support.



## QUALIFICATIONS

GILLIG's fiscal responsibility is unmatched in the industry: no external debt, no claims against us and an on time payment record to our suppliers that is unequalled. Our proven financial strength represents an enormous advantage to our customers, our suppliers, our owners and our employees. Below is a list of several of the industries' major suppliers along with our Bonding and Bank references that can attest to GILLIG's payment history, reliability and consistency. **We encourage you to call any of these references and ask if we are creditworthy, if we make our payments on time, if we give our suppliers proper lead time, if we refrain from making last minute changes in the specifications and if we keep our delivery requests consistent.**

### BONDING REFERENCES

Lockton Companies  
Gregory Morin, Senior Vice President  
Phone: (816) 960-9875  
lockton.com

### BANKING REFERENCES

Union Bank  
Julie McAfee, Account Manager  
Phone: (925) 947-2489  
email: julie.mcafee@unionbank.com

### SUPPLIER REFERENCES

American Seating Company  
David McLaughlin  
VP and General Sales Manager  
Phone: (616) 732-6671  
Email: dave.mclaughlin@amseco.com

Thermo King Corporation  
Dennis Hubbard  
Regional Sales Manager  
Phone: (719) 836-7076  
Email: dennis\_hubbard@irco.com

Arvin Meritor  
John Wolf  
Manager, Sales  
Phone: (248) 435-1519  
Email: john.wolf@meritor.com

Lift-U (Division of Hogan Mfg Inc)  
John Fusco  
President  
Phone: (209) 552-8638  
Email: johnfusco@hoganmfg.com

Cummins Engine Company  
Michelle Curry  
OEM Account Manager - Bus  
Phone: (812) 377-3747  
Email: michelle.curry@cummins.com

Luminator  
Dan Kelleher  
VP, Sales & Marketing  
Phone: (972) 516-3073  
Email: dkelleher@luminatorusa.com

Freedman Seating Company  
Dan Cohen, VP Sales/Marketing  
Phone: (800) 443-4540  
Email: danc@freedmanseat.com

Voith Transmissions Inc.  
Robert Wiss, VP Road Products  
Phone: (717) 767-3224  
Email: robert.wiss@voith.com

R.C.A. Rubber Company  
Don Bullock, VP Sales  
Phone: (330) 784-1291  
Email: bullockd@rcarubber.com

Altro Transflor  
Dan Lee, Manager – The Americas  
Phone: (562) 944-8292 x3500  
Email: dlee@altrofloors.com



UNCOMMONLY INDEPENDENT

March 4, 2021

Re: Gillig LLC

To Whom It May Concern:

It is our pleasure to provide you with this reference letter outlining the current surety program for Gillig LLC.

The surety for Gillig LLC is Liberty Mutual Insurance Company which is listed in the Federal Register Circular 570, rated "A" by the Best Guide. Gillig LLC has been a valued client of Liberty Mutual Insurance Company for more than forty years. The company is highly regarded in the bus manufacturing industry for its experienced personnel, excellent workmanship, and ability to complete contracts on schedule and within budget.

Liberty Mutual Insurance Company looks favorably on supporting single projects for Gillig LLC in the \$50,000,000.00 range, with an aggregate program of \$200,000,000.00. We would look favorably on supporting bonds at the request of our client; however, our support is conditioned upon completion of the underwriting process, including satisfactory review of contract documents, confirmation of financing and our ongoing review of the operational and financial capacity of Gillig LLC.

Please understand, this letter is not to be construed as an agreement to provide bonds for any particular project, but it is offered as an indication of our past experience and confidence in Gillig LLC. Any arrangement to provide final bonds is a matter between Liberty Mutual Insurance Company and Gillig LLC, and we assume no liability to third parties if we do not execute said bonds.

We highly recommend Gillig LLC to you. They are well managed, financed, and truly capable of meeting your requirements. If you have any questions in regards to this letter do not hesitate to call.

Yours truly,

KANSAS CITY SERIES OF  
LOCKTON COMPANIES, LLC

Rebecca S. Leal  
Assistant Vice President / Senior Surety Specialist  
Surety Operations