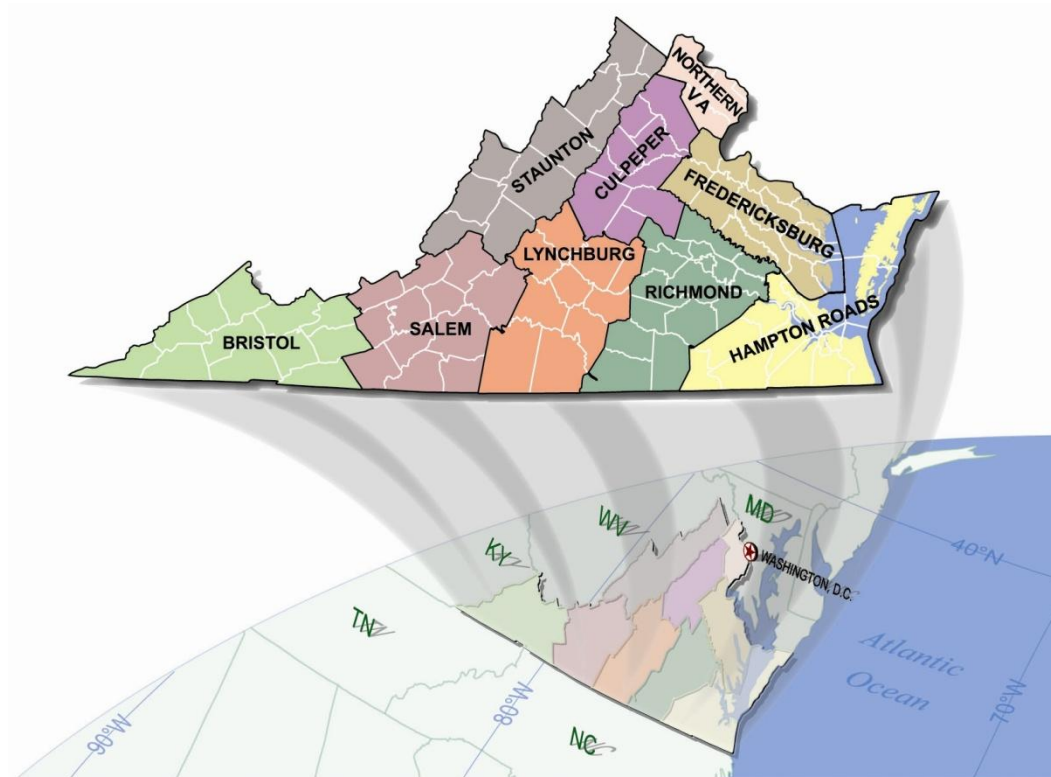




VDOT Prequalification

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VDOT Prequalification for Highway Contractors in the Commonwealth of Virginia



What is Prequalification?

“AASHTO defines a prequalification system as a means of not only pre-determining job experience and work capacity but also to serve as a means of identifying individuals and organizations from whom the agency may be accepting a bid.”

AASHTO encourages the use of prequalification procedures in its *Suggested Guidelines for Strengthening Bidding and Contract Procedures.*

(a copy of this document will be handed out at the end of the Presentation)

**AASHTO =American Association of State Highway
and Transportation Officials**

What is VDOT's Prequalification Program?

VDOT's Contractor Prequalification Program ensures that all contracts for the construction, improvement and maintenance of Virginia's transportation system are awarded to the lowest responsive and responsible bidder.

Highway construction and maintenance contracts advertised and let by the Construction Division require prospective bidders to be prequalified.

VDOT's 2007 Road and Bridge Specifications definition

Prequalification.

*“The procedure used by the **Department** to assure itself of the Contractor’s ability to perform the work with attention to quality and safety including his experience in similar work, and sufficiency of equipment to accomplish the work and that the Contractor’s financial resources will permit financing the cost in accordance with the **Rules Governing Prequalification Privileges.**”*

(Note these rules are posted on the Prequalification Webpage)

What does the Code of Federal Regulations indicate about prequalification of contractors?

23CFR § 635.110 Licensing and qualification of contractors states:

(c) “.....Prequalification of contractors may be required as a condition for submission of a bid or awarded of contract only if the period between the date of issuing a call for bids and the date of opening of bids affords sufficient time to enable a bidder to obtain the required prequalification rating.”

What does the Code of Virginia indicate about prequalification of Highway Contractors?

§ 2.2-4317. Prequalification generally; prequalification for construction.

Item 7, E. **The provisions of subsections B, C, and D shall not apply to prequalification for contracts let under § 33.1-12.**

§ 33.1-12. General powers and duties of Board, etc.; definitions.

The Commonwealth Transportation Board shall be vested with the following powers and shall have the following duties:

(2)(b) “....Such objective criteria will include requirements for prequalification of contractors and competitive bidding processes. These contracts shall be of such size and scope to encourage maximum competition and participation by agency prequalified and otherwise qualified contractors.”

What does VDOT's Road and Bridge Specifications indicate on who should be Prequalified?

SECTION 102—BIDDING REQUIREMENTS AND CONDITIONS

102.01—Prequalification of Bidders

- All prospective Bidders, including all members of a joint venture, must prequalify with the Department
- All subcontractors must be prequalified prior to performing any work on the contract- (VDOT recognizes subcontractors as first tier subs)
- Contractors eligible for DBE credit under Special Provision for Section 107.15, DBE federal-aid contract subcontractors must be VDOT prequalified and DMBE certified at the time of bid submission.

What does VDOT's Road and Bridge Specifications indicate on who is not required to be Prequalified?

SECTION 102—BIDDING REQUIREMENTS AND CONDITIONS

102.01—Prequalification of Bidders indicates:

- Contractors may be waived by a project-specific provision in the bid proposal
- Not required if performing work items noted in the proposal as "Specialty Items"
- Not required if subcontractors only performing a service as defined by the Code of Virginia-

Examples of firms supplying services

Firms supplying “services only” do not need to be prequalified

Examples of services are:

- Engineering Design
- Inspection
- Surveying
- Traffic control
- Hauling
- Materials supply
- Shop fabrication

Prequalification Rules and Regulations

The rules for prequalification reflect VDOT's commitment to

- **Safety**
- **Quality Construction**
- **Ability to perform (on time)**
- **Increased Competition**

Work Classes

Work classes are determined by work history and equipment readily available

VDOT promotes firms to gain work experience in other areas therefore a firm is not limited to the Work Classes listed on their prequalified list posting.

As long as the firm proves their ability to perform work in other Work Classes by readily available expert work force and equipment.

Safety

Safety is an integral and essential part of becoming, and remaining prequalified.

Safety evaluation includes:

- **Industry standard Experience Modification Rate (EMR)**
- **OSHA logs**
- **Contractor's safety program**
- **Contractor's safety violations by any governmental agency**

Quality

Quality Level

➤ Contractor's Performance Evaluations

A CPE Annual/Final is done on every contractor or subcontractor (first tier) on every project every year.

A Contractor needs an aggregate score of 85% or better in order to be a considered for the highest Prequalification level

Prequalification Levels

Five levels of prequalification

1. Full Prequalification

- Safety Index Score is at least 70 & CPE aggregate score at least 85%
- As much as a firm can be bonded for

2. Conditional Prequalification

- For firms with failing Safety Index Score and/or CPE scores
- No more than one job under \$1 million

3. Currently Inactive Prequalification

- For firms with no work history with VDOT
- No more than 3 jobs; each must be valued under \$2 million (so < \$6M total)

Prequalification Levels (continued)

4. Probationary Prequalification

- For Newly prequalified firms with no work history with VDOT
- No more than 3 jobs; each must be valued under \$2 million (so < \$6M total)

5. Subcontractor only

- Does not meet minimum criteria to bid as a Prime
- No established safety or work history

* A firm's level does not affect how much work can be undertaken as a subcontractor

How is a firm's level calculated?

A firm's prequalification score is calculated by:

70% (Aggregate CPE Annual/Final score)

+ 30% (Safety Index Score/3)

P = 80 +

PC = 70 +

PP/PCI = 75+

Denied = -70

Evaluation of a Contractor's Application

Considerations for prequalification:

- **Registered with the State Corporation Commission**
 - **In accordance with the VA CODE § 2.2-4311.2 a firm shall be registered in “good standing” with the Commonwealth of Virginia’s State Corporation Commission (SCC) to transact business in the Commonwealth.**

Evaluation of a Contractor's Application

➤ Work History

- Current contracts on hand as a Prime & Sub
- Past three years of completed projects

➤ Safety History

- Established EMR ratings for the past 6 years
- OSHA 300 & 300A for three past completed years

Evaluation of a Contractor's Application

- **Equipment**
 - **Readily available to perform the work**

- **Finances**
 - **Liabilities vs. Assets**

Hand-outs

1. Suggested Guidelines for Strengthening Bidding and Contract Procedures

2. Prequalification Levels Worksheet Descriptions

3. Safety Index Rating Form

4. Prequalification Process Webpage

Prequalification Webpage

- Go to the website www.VirginiaDOT.org
- Click on Business Center in the header
- Scroll down to Engineering and Support
Pick “Construction Division”
- Under the Procurement Phase, select Prequalification
- Click on the link “For Prequalification Information and references Web Page”
- Or go directly to
<http://www.virginiadot.org/business/const/prequal.asp>

QUESTIONS??