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**Subject** : Approve Resolution No. 2768: Adoption of Bidder Prequalification Process

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division** :

Facilities Support Services

**Recommendation** :

Approve Resolution Adopting Bidder Prequalification Process to prequalify contractors on an annual basis.

**Background/Rationale** :

Beginning January 1, 2014, Public Contract Code section 20111.6 ("Statute") will require the District to conduct a prequalification process for general contractors, and mechanical, plumbing and electrical subcontractors, prior to those contractors and subcontractors bidding on District projects over \$1,000,000 that will utilize State funding. Prequalification requires contractors to meet certain criteria, designed to assess their experience, expertise and overall ability to carry out work with the District, prior to bidding. The Statute permits the District to conduct prequalification on a quarterly, annual or project-by-project basis. The Statute requires the District to adopt procedures, including a standardized proposal form and uniform rating system for evaluating applicants.

At the request of Board Member Hansen three additional questions have been added to the Prequalification Procedure document; two in Part III, Section D, questions 7 and 8;

one in Part III, Section E, question 6. Corresponding scoring changes have also been made in the Prequalification Scoring Sheet.

Financial Considerations :

The purpose of the prequalification process is to ensure quality contractors performing work on District projects. This may result in fewer claims on those projects and a downstream cost savings to the District.

The prequalification process will create additional workload for staff. Annual, as opposed to quarterly or project-by-project, prequalification will most effectively utilize District resources.

Documents Attached:

1. Executive Summary
2. Resolution No. 2768: Adoption of Bidding Prequalification Process
3. Prequalification Application
4. Prequalification Score Sheet

Estimated Time of Presentation : N/A
Submitted by : Teresa Cummings, Ph.D., Chief Accountability Officer and Cathy Allen, Assistant Superintendent
Approved by : Sara Noguchi, Ed.D., Interim Superintendent

# Facilities Support Services

Adoption of Bidder Prequalification Process

December 19, 2013

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## I. Overview/History of Department or Program

Beginning January 1, 2014, the District will be required to conduct a prequalification process for general contractors, and mechanical, plumbing and electrical subcontractors, prior to those (b)Tw 12 0 0 5d-0.rs

# Facilities Support Services

Adoption of Bidder Prequalification Process

December 19, 2013

Public Contract Code section 20111.6, subsection (g), states: "The board of the district may establish a process for prequalifying prospective bidders pursuant to this section on a quarterly or annual basis and a prequalification pursuant to this process shall be valid for one calendar year following the date of initial prequalification."

Public Contract Code section 20111.6, subsection (i), states: "For purposes of this section, bidders shall include the general contractor and, if utilized, all electrical, mechanical, and plumbing subcontractors."

## III. Budget:

The prequalification process will create additional workload for staff. Annual, as opposed to quarterly or project-by-project, prequalification will most effectively utilize District resources.

## IV. Goals, Objectives and Measures:

- x Compliance with new law.
- x Ensure experienced and qualified contractors will complete work on District projects.

## V. Major Initiatives:

Public Contract Code section 20111.6 is effective on January 1, 2014.

## VI. Results:

Compliance with new law.

## VII. Next Steps:

- x Board approval of Bidder Prequalification Process
- x Implementation of Prequalification Process

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION

RESOLUTION NO. 2768

RESOLUTION RE: ADOPTING BIDDER PREQUALIFICATION PROCESS

WHEREAS



## PREQUALIFICATION PROCEDURES

Notice is hereby given by Sacramento City Unified School District ("District") that general contractors and mechanical, electrical and plumbing subcontractors planning to participate in bidding on District projects (each a "Project") in the twelve months following prequalification will be required to prequalify prior to bidding, and must adhere to the following procedures, submit the following documentation and information, and be found by the District to prequalify, as a condition of bidding. Prequalification application packages are available on the District's website [INSERT WEBSITE LINK HERE] or at the District's main office

No bid will be accepted from a contractor that has failed to comply with these requirements if two or more business entities submit a bid on a project as a Joint Venture, or expect to submit a bid as part of a Joint Venture, each entity within the Joint Venture must be separately qualified to bid.

The prequalification packet includes in part, a questionnaire and financial statement, to be verified under oath. The District will use the information and documentation required herein, as the basis for rating contractors in respect to the size and scope of contracts upon which each contractor is qualified to bid. The District reserves the right to check other sources available. The District's decision will be based on its uniform rating system, including an objective evaluation criteria and references.

Contractors are encouraged to submit prequalification packages as soon as possible, so that they may be notified of prequalification status well in advance of the bid process. Note that neither the fact of prequalification, nor any prequalification rating, will preclude the District from a post-bid consideration of the responsiveness of the lowest apparent bid on any Project or the lowest apparent bidder's responsibility to perform the Project.

The prequalification packages should be sealed, marked "CONFIDENTIAL PREQUALIFICATION," and mailed to the following:

Sacramento City Unified School District  
Contracts Office  
Attention: Kim Teague  
5735 47th Avenue  
Sacramento, CA 95824

The questionnaire answers and financial statements included in the prequalification packages submitted by contractors are not public records and are not open to public inspection. All such information provided will be kept confidential to the extent permitted by law, although the contents may be disclosed to third parties for the purpose of verification, investigation of substantial allegations, and in the process of subsequent proceedings. State law requires that the names of contractors applying for prequalification status shall be public records subject to disclosure, and the first page of the questionnaire will be used for that purpose.

Each questionnaire must be signed under penalty of perjury in the manner designated at the end of the form, by an individual who has the legal authority to bind the contractor on whose behalf that person is signing. If any information provided by a contractor becomes inaccurate, the

contractor



## GENERAL INFORMATION

- A. The bidder shall complete the enclosed ~~Qualification~~ <sup>Qualification</sup> Application materials. If an explanation and/or additional sheets are required for any of the responses, please attach additional pages signed by the preparer and identify clearly to which questions the attached page refers.
- B. "You" or "Your" as used herein refers to the bidder's firm and any of its officers, directors, shareholders, parties, or principals.
- C.

# PREQUALIFICATION APPLICATION



## Prequalification Questionnaire

### PART I. GENERAL REQUIREMENTS FOR QUALIFICATION

A. Licensing, Insurance and Financial Information.

1. Contractor possesses a valid and current California contractor

B. Other Information

1. Has any contractor's license held by your firm, or its responsible managing employee ("RME") or responsible managing officer ("RMO") been suspended or revoked at any time in the last five years?  
 Yes       No
2. At any time during the last five years, has your firm or any of its owners or officers been convicted of a crime involving the awarding of a contract of a government construction project, or the bidding or performance of a government contract?  
 Yes       No
3. Has your firm or any of its owners, officers or partners ever been convicted of a crime involving any federal, state, or local law related to construction?  
 Yes       No

If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the conviction and the grounds for the conviction.

4. Has your firm or any of its owners, officers or partners ever been convicted of a federal or state crime of fraud, theft, or any other act of dishonesty?  
 Yes       No

If "yes," identify on a separate signed page the MCID 7 >>(i)-2(f)-17(y)20( on a)4( s)-1(a)4r

PART II. ORGANIZATION & HISTORY

A. Current Organization and Structure of the Business

For Firms That Are Corporations:

Date incorporated: \_\_\_\_\_  
Under the laws of what state: \_\_\_\_\_

For Firms That Are Partnerships:

Date of formation: \_\_\_\_\_  
Under the laws of what state: \_\_\_\_\_

For Firms That Are Sole Proprietorships:

Date of commencement of business: \_\_\_\_\_  
Social security number of company owner: \_\_\_\_\_

Identify every construction firm that the business owner has been associated with (as owner, general partner, limited partner or officer) at ~~any~~ during the last five years. NOTE: For this question, "owner" and "partner" refer to ownership of ten per cent or more of the business, or ten per cent or more of its stock, if the business is a corporation.

Person's Name	Construction Company	Dates of Person's Participation with Company

1. Has there been any change in ownership of the firm at any time during the last three years?  
 Yes       No

If "yes," explain on a separate signed page.

NOTE: A corporation whose shares are publicly traded is not required to answer this question.

2. Is the firm a subsidiary, parent, holding company or affiliate of another construction firm?  
 Yes       No

If "yes," explain on a separate signed page.

NOTE: Include information about other firms if one firm owns 50 percent or more of another, or if an owner, partner or officer of your firm holds a similar position in another firm.

3. Are any corporate officers, partners or owners connected to any other construction firms.  
 Yes       No

If "yes," explain on a separate signed page.

NOTE: Include information about other firms if an owner, partner or officer of your firm holds a similar position in another firm.

4. State your firm's gross revenues for each of the last three years:

\_\_\_\_\_

5. How many years has your organization been in business in California as a contractor under your present business name and license number?      years.

C. Licenses

1. List all California construction license numbers, classifications and expiration dates of the California contractor licenses held by your firm:

\_\_\_\_\_

2. If any of your firm's license(s) are held in the name of a corporation or partnership, list below the names of the qualifying individual(s) listed on the CSLB records who meet(s) the experience and examination requirements for each license.

\_\_\_\_\_

3. Has your firm changed names or license number in the past five years?  
 Yes       No

If "yes," explain on a separate signed page, including the reason for the change.

4. Has any owner, partner or (for corporations) officer of your firm operated a construction firm under any other name in the last five years?  
 Yes       No

If "yes," explain on a separate signed page, including the reason for the change.

D. Bonding

1. Bonding capacity: Provide documentation from your surety identifying the following:  
Name of bonding company/surety: \_\_\_\_\_

Name of surety agent, address and telephone number:

\_\_\_\_\_

2. List all other sureties (name and full address) that have written bonds for your firm during the last five years, including the dates during which each wrote the bonds:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



PART III. ORGANIZATIONAL PERFORMANCE AND COMPLIANCE WITH

NOTE: "Associated with" refers to another construction firm in which an owner,

If the answer is "Yes," for each contract attach a separate sheet identifying the owner, your bonding company, the original contract value, the value of the work terminated and a brief explanation of the circumstances leading to the termination.

7. Has your firm ever entered into a settlement agreement, or otherwise agreed with a public entity that your firm would not bid on future projects advertised by the public entity for a specified period of time

1. If your firm was required to pay a premium of more than one per cent for a performance and payment bond on any project(s) on which your firm worked at any time during the last three years, state the percentage that your firm was required to pay. You may provide an explanation for a percentage rate higher than one per cent, if you wish to do so.
  
2. During the last five years, has your firm ever been denied bond coverage by a surety company, or has there ever been a period of time when your firm had no surety bond in place during a public construction project when one was required?  
 Yes       No

If ye

NOTE: If you have filed an appeal of a citation and the Appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.

4. How often do you require documented safety meetings to be held for construction employees and field supervisors during the course of a project?

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5. List your firm's Experience Modification Rate (EMR) (California workers' compensation insurance) for each of the past three premium years:

NOTE: An Experience Modification Rate is issued to your firm annually by your workers' compensation insurance carrier.

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E. Prevailing Wage and Apprenticeship Compliance Record

1. Has there been more than one occasion during the last five years in which your firm was required to pay ~~the~~ back wages or penalties for your own firm's failure to comply with the state's prevailing wage laws?

NOTE: This question refers only to your own firm's violation of prevailing wage laws, not to violations of the prevailing wage laws by a subcontractor.

Yes       No

If "yes," attach a separate signed page or pages, describing the nature of each violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed, the number of employees who were initially underpaid and the amount of back wages and penalties that you were required to pay.

2. During the last five years, has there been more than one occasion in which your own firm has been penalized or required to pay back wages for failure to comply with the federal Davis-Bacon prevailing wage requirements?

Yes       No

If "yes," attach a separate signed page or pages describing the nature of the violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed; the number of employees who were initially underpaid, the amount of back wages you were required to pay along with the amount of any penalty paid.

3. Provide the name, address and telephone number of the apprenticeship program sponsor(s) (approved by the California Apprenticeship Council) from whom you intend to request the dispatch of apprentices to your company for use on any public work project for which you are awarded a contract the District.

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4. If your firm operates its own State approved apprenticeship program:

(a) Identify the craft or crafts in which your firm provided apprenticeship training in the past year.

(b) State the year in which each such apprenticeship program was approved, and attach evidence of the most recent California Apprenticeship Council approval(s) of your apprenticeship program(s).

(c) State the number of individuals who were employed by your firm as apprentices at any time during the past three years in each apprenticeship and the number of

persons who, during the past three years, completed apprenticeships in each craft while employed by your firm.

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- 5. At any time during the last five years, has your firm been found to have violated any provision of California apprenticeship laws or regulations, or the laws pertaining to use of apprentices on public works?  
 Yes       No

If "yes," provide the date(s) of such findings, and attach copies of the Department's final decision(s).

- 6. Have at least fifty percent (50%) of journey-level workers used on your jobsites graduated from a State approved apprenticeship program.  
 Yes       No

PART IV. RECENT CONSTRUCTION PROJECTS COMPLETED

Provide the information requested below for the six largest public works projects and three largest private works of improvement on which you have completed ~~you or your~~ work in the last five years. "Largest" means highest contract dollar value, including change orders. (If you wish, you may, using the same format, also provide relevant information about other projects that you have completed.) Two of the six public works projects must be ~~be~~ projects. Names and references must be current and verifiable. Provide ~~addresses~~ addresses for all references of your largest public works projects are not ~~be~~ projects, please also provide information regarding up to six K-12 projects completed within the last five years.

For general contractor applicants: Only list projects your firm performed as the general contractor in charge of all trades for the construction of a building.

For subcontractor applicants Only list projects your firm performed as the prime contractor if a single trade job or as a subcontractor on a multiple trade contract. For multiple trades, contract indicate the ~~general contractor's~~ general contractor's name and contact information.

Project Name: \_\_\_\_\_

Location: \_\_\_\_\_

Owner and Contact Name and Information: \_\_\_\_\_

Architect or Engineer Contact Name and Information \_\_\_\_\_

Construction Manager and Contact Name and Information \_\_\_\_\_

Description of Project, Scope of Work Performed: \_\_\_\_\_

Total Value of Construction (including change orders): \_\_\_\_\_

Original Scheduled Completion Date: \_\_\_\_\_

Time Extensions Granted (# of Days): \_\_\_\_\_

Actual Date of Completion: \_\_\_\_\_

\* \* \* \* \*

I, the undersigned, certify and declare that I have read all the foregoing answers to this prequalification questionnaire and know their contents. The matters stated in the questionnaire answers are true of my own knowledge and belief, except as to those matters stated on information and belief, and as to those matters I believe to be true. I declare under penalty of perjury under the laws of the State of California, that the foregoing is correct.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Company

\_\_\_\_\_  
(Name)

Corporate Seal

\_\_\_\_\_  
(Signature)



## PART V. EVALUATION CRITERIA

The following criteria will be used to evaluate the applications:

- 1) similar projects that have been completed by the contractor within the last five years;
- 2) prior defaults by the contractor and/or prior bankruptcy filings;
- 3) the type of license the contractor holds;
- 4) disqualification on prior jobs;
- 5) assessment of liquidated damages on earlier projects;
- 6) claims against bonds
- 7) prior terminations;
- 8) bondability;
- 9) insurability;
- 10) workers compensation experience;
- 11) violation of regulations and rules; and
- 12) financial strength.

Sacramento City Unified School District  
Prequalification Scoring Sheet

Firm Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

If firm is a sole proprietor or partnership:

Owner(s) of Company \_\_\_\_\_

Contractor's License Number(s): \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

The contractor's qualified limit will be the lesser of the following (stated in \$<sup>U</sup> currency): (a) the largest public works contract the contractor

## PART I GENERAL REQUIREMENTS

### A. Licensing, Insurance & Financial Information

		Yes	No	Docs Attached	Verified
1	Valid and Current Contractor's License				
2	Liability Insurance with Appropriate Limits General Contractor: \$3,000,000 & \$5,000,000 MEP Subcontractor: \$1,000,000 & \$2,000,000				
3	Current Worker's Comp Insurance or Exemption				
4	Reviewed or Audited Financial Statement Attached			*	

PART II ORGANIZATION & HISTORY

A. Current Organization and Structure of the Business

The firm is a:    ‘    & R U S R U D W L R Q  
                          ‘    3 D U W Q H U V K L S  
                          ‘    6 R O H 3 U R S U L H W R U V K L S  
                          ‘    - R L Q W 9 H Q W X U H

The firm    ‘    L Q F O X G L H G Q U R W All information necessary to complete this section.

B. History of the Business and Organizational Performance

Check “Responses Included” box if information is included in application based on the contractor’s answers, follow up is necessary, indicate so by checking the “follow up” box.

		Responses Include	Follow Up
1	Change in ownership		
2	Subsidiary, parent/holding company, etc		
3	Corporate officers/relationship to other firms		
4	Gross revenue		
5	Years in business		

C. Licenses

Check “Responses Included” box if information is included in application items to be



9	Insurance refusal to renew within last 5 years	No = 5 Yes = -5	
10	Project with more than 3 stop payment notices in last 3 years	No = 5 Yes = 0	
11	Stop notice resulted in claim	No = 5 1 instance = 3 >1 instance = 0	
12	Liable in a civil suit for false claims	No = 5 Yes = -5	

(Possible Score 60)

III.B Total Score \_\_\_\_\_

C. Bonding

		Possible Scores	Score
1	Required to pay a premium	No = 5 1=1.25% premium = 4 1.25-1.5% premium = 3 > 1.5% = 0	
2	Denied coverage by surety	No = 5 Yes = 0	

(Possible Score 10)

III. C Total Score \_\_\_\_\_

D. Financial History & Licensing

		Possible Scores	Score
1	CAL OSHA violations last 5 years	No = 5 1 instance = 4 2 instances = 3 3+ instances = 0	
2	Federal OSHA citations last 5 years	No = 5 1 instance = 4 2 instances = 3 3+ instances = 0	
3	EPA, Air Quality or RWQCB citations last 5 years	No = 5 1 instance = 4 2 instances = 3 3+ instances = 0	
4	Safety meetings	Weekly = 5 Monthly = 3 Quarterly = 1 None = 0	
5	Experience Modification Rate	EMR .95 or less = 5 .95- 1 = 3	

Contractor: \_\_\_\_\_

		Other = 0	
6	Workers' comp lapse in last	No = 5	
7	five years	Yes =0	

PART IV – RECENT CONSTRUCTION PROJECTS COMPLETED

Verify projects are awarded and completed. Based on information provided by contractor, list six projects below. Begin with information provided regarding K-12 projects, then other public works projects, then private projects.

Award 15 points for each K-12 project, 10 points for each other public project, 5 points for each private project.

	Project	K-12	Other Public	Private
1				
2				
3				
4				
5				