

# Contractor Prequalification

February 28, 2024

ARIZONA DEPARTMENT OF TRANSPORTATION

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# Contractor Prequalification

## ➤ Prequalification Overview

### ➤ **Purpose**

- Required for Prime Contractors to Bid ADOT Projects
- Acquaint Contractor with ADOT
- Evaluate Firm Work History
- Evaluate Personnel Experience
- Financial Condition

### ➤ **Who Must Prequalify**

- Prime/General Contractors (Yes)
- Subcontractors (No) - Approved by ADOT for each project

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## Types of Work for Prequalification

- All Classes of Construction
- Asphalt Concrete Paving
- Bridges
- Buildings
- Chip Seal
- Electrical
- Grading & Draining
- Guardrail/Fencing
- Landscape & Irrigation
- Minor Concrete Structures
- Miscellaneous Concrete
- Pavement/Bridge Repair
- Pavement Marking
- Portland Cement Concrete Paving
- Pump Stations and Pipelines
- Rest Areas
- Signing
- Underground
- Other (Specify) \_\_\_\_\_

## Contractor Prequalification

- Prequalification Thresholds
  - **Classification of Contractors (R17-3-202 D)**
    - Inexperienced
    - New
    - Unknown
    - Known
  - **Classification of Financial Statements (R17-3-202 E)**
    - Compiled
    - Reviewed
    - Examined

# Contractor Prequalification

- Prequalification Thresholds (cont'd.)
  - **Limits based on Contractor Classification (R17-3-202 F)**
    - Inexperienced Max. \$300,000
    - New Max. 5 times Net Worth
    - Unknown Max. 5 times Net Worth
    - Known Max. 10 times Net Worth
  - **Limits based on Financial Classification (R17-3-202 E)**
    - Compiled Max. \$300,000
    - Reviewed Max. \$1,500,000
    - Examined Based on Evaluation

# Contractor Prequalification

- Prequalification Thresholds (cont'd.)
  - **Determination of Prequalification Amount**
    - Analysis of Financial Statement
    - Current Assets
    - Current Liabilities
    - Working Capital
    - Adjusted Working Capital
      - Inventory
      - Loans to Shareholders/Related Parties
      - Prepaid Expenses
    - Net Worth

# Contractor Prequalification

- Prequalification Process (New & Renewal)
  - Submit Prequalification Application
  - Submit Financial Statement
- Other Information
  - Annual Renewal Required
  - New Application Each Time
  - New Financial Statement Each Time
  - Prequalification Expires 15 months after the end of a Contractor's Fiscal Year
  - Strictly Confidential

# Contractor Prequalification

- Approval Process
  - Monthly Meeting
  - Notify Contractor in Writing of Decision
- Reconsideration (R17-3-202 G)
  - Request in Writing within 15 days of Decision
  - Basis for Request
  - Supportive Data
  - Respond to Contractor Request in Writing
  - Appeal to State Engineer if Still Dissatisfied

# Contractor Prequalification

- Prequalification Key Contacts
  - Iqbal Hossain – Administrative Support
  - Barry Crockett – Chairman
- Prequalification Information
  - **Website**
    - <https://azdot.gov/business/contracts-and-specifications>
  - **Address**
    - 205 S. 17th Ave., Phoenix
  - **Telephone**
    - 602-712-7221

# Contractor Prequalification

- Prequalification Most Common Issues
  - Inadequate Documentation of Work History
  - Inadequate Documentation of Personnel Experience
  - No Financial Statement
  - Incomplete Financial Statement
  - Expired Financial Statement (more than 15 mos. old)
  - Don't Update Prequalification Information
  - Firm Name & Financial Statement Name Different
  - A-License doesn't Prequalify Contractor for All Work
  - Continuous Prequalification Strongly Recommended
  - Identify Self-Performed Work