

## **Awarding of Public Works Contracts**

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The procedure for accepting bids and awarding public works contracts in the State of Nevada is a complex one. This background paper summarizes the process involved in awarding public works contracts in Nevada and provides information concerning alternative methods used in other states.

### **LOW BID VERSUS QUALITY-BASED SELECTION**

Traditionally, most states have awarded public works contracts to the lowest responsive and responsible bidder. This tradition is changing, however. According to Eric Raecke, Manager of the State Public Works Board (PWB), more than 30 states have altered their bidding and selection process for awarding public works contracts. Some states now prefer to award contracts based on quality and timeliness as well as cost.

### **Nevada's Selection Process**

Nevada's State Public Works Board has at least two disparate processes for awarding contracts as dictated by statute -- "design, bid, award" and "design/build." "Design, bid, award" is used for most public works projects. The design team of architects and engineers enter into a "service agreement" with the state. The contract is then put to bid and a contractor is awarded the contract. The State Public Works Board is authorized to enter into service agreements and enter into contracts for consulting services under *Nevada Revised Statutes* (NRS) 341.140 and 341.155. The process for selecting the general contractor, outlined in NRS 338.147 and 341.145, is a different one altogether. The two processes are discussed in the next section.

Under the "design/build" process, a single contract is awarded for design and construction (NRS 341.171). Bidders must meet certain prequalifications, but the contractor and the architects and engineers work as a team. This process is used only in emergency situations because the

construction begins before the final plans are complete. In addition, the board does not participate in building.

### **Design, Bid, Award**

Attachment A, provided by the PWB, is a flow chart that compares and contrasts the processes used or proposed by the public works board in awarding contracts

### **Architects and Engineers: Quality-based Selection**

The selection process used in selecting the architect and engineer for a state public works project starts with the appropriation of money from the Legislature. If the project is in excess of \$50,000, a formal selection process must be used. (If the project is less than or equal to \$50,000, the PWB can, itself, award the contract.)

The formal process begins with the advertisement soliciting bids. The advertisement must be published in state for three consecutive weeks and specify that the PWB is accepting bids for an identified project. The board also must provide certain required information on the project. Interested parties respond in writing, then enter into a screening process. Four state public works employees and one representative from the agency in which the project is to be built screen the applicants, who are then evaluated. The top three to five applicants are reviewed by the interview committee, which is made up of two public works employees and three agency representatives. The *Nevada Administrative Code* (NAC) dictates that the candidates receive further review by the board; the top three applicants then are ranked. At this step in the process, fees are discussed for the first time. Up to this point, the architects and engineers have been evaluated solely on their qualifications.

Attachment B is part of the Internal Procedures document of the Public Works Board and details the architect and engineer selection process.

### **General Contractors: Low Bid**

The process for selecting a general contractor for public works projects in Nevada, however, is solely based on cost. The contract **must** go to the lowest bidder. Subsection 1 of NRS 338.147 states that "a public body shall award a contract for a public work to the contractor who submits the best bid" and subsection 4 of NRS 341.145 states that the board "may negotiate with the lowest responsible bidder." According to Mr. Raecke, a contractor is determined to be "responsible" if the contractor is licensed, insurable, and bondable. The board does not maintain a particular contractor's past performance on public works projects.

## **Design/Build**

See attachment A for process diagram.

The board may opt to use a single contract for design and construction of capital improvement. To do so, the board must adopt regulations establishing procedures for determining the qualifications of contractors to bid for contracts for the design and construction of such projects (NRS 341.171). The board must approve the design and architects employed in the project. The board does not, however, have control over details when using this method.

## **SELECTION PROCESS IN OTHER STATES**

Certain states, including Florida and Washington, allow the public works board (or equivalent) to select a design team to identify potential general contractors, which then work together through schematic design.

Before awarding a contract, an agreement must be reached concerning the price breakdown, budget, and overall schedule, in addition to the contractor's fees. The contractor, working with the architect through what is called "value engineering" or "value design," assembles the final design of the public works project and the subcontractor package. In this system, the contractor manages and supervises the subcontractors. It is the contractor's responsibility to make sure the subcontractors stay on budget and schedule.

The State of Washington, faced with severe prison overpopulation, changed its public works laws in 1991 to facilitate the cost-effective, timely facility construction of prisons. The "General Contract/Construction Manager" (GC/CM) process was the solution. (Florida's process, which is very similar to Washington's, is called "Construction Management with Risk.") The goal was to increase the number of inmate beds as rapidly and efficiently as possible. The states strategy was to create and utilize the innovative construction placement process. The use of GC/CM has resulted in the completion of projects much ahead of schedule; one project was finished "almost five years ahead of the original schedule." (See Attachment C for a detailed description of Washington's method of awarding Public Works Contracts.)

(See Attachment A for process diagram.)

According to the American Public Works Association, 22 states, including Michigan and Utah, have tried a bidding process called "A+B." "A" represents the actual cost of the job, and "B" represents the costs associated with the schedule to which the contractor commits. A "C" or a "D" may be added to the formula to represent other factors important to the state.

Under the A+B scheme, incentives are provided to get the job done in a timely fashion. Conversely, penalties are imposed if the contractor fails to complete the project within the number

of days agreed to in the contract. States using “A + B” find that penalties are much easier to impose than getting “liquidated damages,” and, therefore, contractors tend to bid the jobs more accurately.

### **BIDDER PREQUALIFICATIONS IN ORDER TO BID**

A number of states, including Colorado, Montana, New Mexico, Utah, and Washington, require contractors to meet specified prequalifications or authorize the public works board (or equivalent agency) to create prequalifications before they can bid a project. This process is intended to improve the quality of the contractors that bid on public works projects. Although the PWB does not have the authority to use this process, Nevada’s Department of Transportation (NDOT) is authorized to use prequalifications.

Prequalifications of contractors may include past performance ratings, bidding capacity, bondability, insurability, and financial statements.

#### **NDOT Contracts**

*Nevada Revised Statutes* 408.333 authorizes the NDOT to require all bidders to prequalify before accepting a bidding job. Attachment D includes copies of the internal documents used by NDOT for contractor prequalification: a “Contractor Prequalification” form, the “Contractor’s Statement of Experience and Financial Condition for Prequalification,” and the “Resident Engineers’ Confidential Past Performance Report.”

*Nevada Revised Statutes* 408.343 outlines the procedure for awarding the contracts.

#### **Clark County School District Contracts**

Local governments also fall under the authority of NRS Chapter 338. Based on the advice of their legal counsel, however, the Clark County School District (CCSD) created “Document 00100: Instructions to Bidders,” which outlines the bidding process and prequalifications of bidders for all CCSD projects. (See Attachment E for more detailed information.)

Prequalifications used by the CCSD include the following:

- All general contract bidders planning to bid on a given project are required to attend a mandatory prebid conference and site walk.
- All general contract bidders planning to bid on a given project are required to provide evidence of “prequalifications,” which include a copy of valid Nevada contractor license, proof of insurance, letter of intent to issue bonds from a licensed surety, and letters of reference.

- Bidders proposing to submit a bid as a joint venture are required, at the time of the prebid conference, to submit a number of documents to meet the prequalifications.
- All general contract bidders planning to bid on a given project are required to provide proof of payment of sales and use taxes, motor vehicle privilege taxes, and other applicable taxes as stated in the NRS.

### **CLOSING REMARKS**

According to Mr. Raecke at the State Public Works Board, awarding contracts to the lowest responsible and responsive bidder does not always guarantee a quality project done on time. The design, bid, award process works well for small to average size projects, and the design/build process is effective for an emergency project that must be done as quickly as possible. The position of the PWB is that some of the alternative methods of awarding public works contracts in other states might work well in Nevada and provide additional methods to build projects of higher quality and with more cost effectiveness.

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## **ATTACHMENT A**

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from the original at time of  
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## **ATTACHMENT B**



## A-E EVALUATION PROCEDURE AND CRITERIA

### A-E Screening Committee:

The A-E Screening Committee reviews the applications, ranks the applicants, and recommends three to five applicants to the A-E Interview Committee for interviews. The Screening Committee normally has four PWB members, with a PWB Deputy Manager chairing the group, and one representative of the using agency. None of the members of the Screening Committee may serve on the Interview Committee.

### A-E Interview Committee:

The A-E Interview Committee interviews all applicants recommended by the A-E Screening Committee, ranks these applicants, and recommends the highest ranked three applicants to the Manager for consideration. The Interview Committee may conduct inquiries of applicant's clients to check on satisfaction with past performance. The Interview Committee should pay special attention to those areas listed in the table as being Interview Committee items since the Screening Committee may not have had enough information on the application forms to make a valid evaluation, i.e., past schedule and budget performance, current firm workload, and proposed method of project control. The manager may sit in on the interviews, but he will not participate in the Interview Committee's evaluations. The Interview Committee normally has five members, chaired by the PWB Chief of Design, at least one other PWB Project Manager, and three representatives of the using agency.

### Ranking System:

Each committee member fills out an A-E Evaluation Form using a point system with criteria for award of points within high, medium and low ranges for each area to be evaluated. Each committee member's evaluation results in a numerical ranking of each firm by that committee member. The firm with the highest score will be ranked first by that committee member, the next highest will be second and so forth. If two firms tie, both shall be ranked the same, skipping the next ranking number.

The sums of the individual committee member's numerical rankings for each firm will be used to determine the overall committee rankings using the A-E Tabulation Form. For example, a firm ranked first by one Committee member, second by another, and fifth by the third committee member would have a score of (i.e.,  $1+2+5 = 8$ ). The firm with the lowest tabulation thus calculated would be highest ranked by the committee. Again, give ties the same number, skipping the next number (i.e., two firms tie for second, both are ranked #2, no one is ranked third, next in line is number four).

### Manager Recommendation to Public Works Board:

The PWB Manager uses the applications, the two committee's evaluations and any other information that may be available on the firms to rank the top three applicants. The Manager reports his evaluations to the Public Works Board which makes the A-E selection.

1. Technical competence and specialization

1. Technical competence and specialization of the project team including all consulting firms on the team and the ability of the individuals to be assigned to the project including the creativity of past designs.

Evaluate by discipline (Arch, CE, EE, ME, SE, other specialty) Look for highly competent in-house or consultant expertise in the particular disciplines with considerable experience on projects requiring the same type of services as the project. Except for very large projects, the number of professionals in a discipline should not affect the rating, except if there is only one. (The firm may lack depth for a long term project.)  
Assuming good technical background and experience, rating will depend on experience with buildings of this size and scope and creativity of past designs.  
High: Design of one or more projects of same type and scope, very creative  
Medium: Design of similar projects  
Low: No projects of this type and scope  
**Note: Each consultant firm should be scored the same regardless of which prime he is listed with. Use numbers 2 or 3 to indicate team performance.**

2. Capacity to perform the work in the time period.

2. Capacity and adaptability to perform the work within the time limitations.

\* Availability of key personnel (Interview committee to question)  
High: Highly qualified supervisors and designers or firms principals will work on this project.  
Medium: Experienced people will work on this project.  
Low: New or inexperienced people will work on this project  
\* Workload: (Interview Committee to question)  
High: Steady workload at least three times this project.  
Medium: Erratic workload or less than three times this project  
Low: Overloaded or total work less than twice this project.  
\* Project control proposed: (Interview Committee to question)  
High: Team members have worked well together before  
Medium: Well thought out plan for project management  
Low: Poor or no plan for project control.

3. Record of past performance including meeting schedules, staying within budget, and providing quality.

3. Past performance including meeting schedules, staying within budget, and providing quality.

Prime consultant will be down rated if in business less than four years and rated low if in business less than two years  
\* Meets Schedules: (Interview Committee to question) consistently for four years, occasionally for 2-4 years, seldom or in business for less than two years.  
\* Quality of Work: consistently high for at least four years, occasionally not high, frequently not high or in business less than two years  
\* Budgets: (Interview Committee to question) rarely, occasionally or frequently has to rebuild or redesign work

4. Proximity to and familiarity with the area in which the project is located

4. Proximity to and familiarity with the area in which the project is located

High: Office within 90 miles of project area.  
Medium: Office elsewhere in Nevada with good airline schedule.  
Low: Office is elsewhere in Nevada.  
**Note: Penalize 1 point for each out-of-state EE, ME, & SE consultant**

5. Previous state work past five years (consideration for firms with less state work).

5. Volume of state work within five years (Higher rating for less past work).

High: Fees from state work total less than \$1 million during last five years  
Medium: Fees \$1 million to \$2 million during last five years.  
Low: Fees from state work over \$2 million during last five years  
**Note: The above for construction cost over \$6 million**  
**For Construction cost under \$6 million:** High: Less than 200K; Medium: 200K to 1000K; Low: Over 1 Million

6. Past experience with similar projects.

6. Past experience with state projects of this type.

High: Past work for this or similar state agency work  
Medium: Past state work  
Low: No past state work

# A-E EVALUATION FORM

Date form weighted:	Technical competence & specialization						Capacity/capability			Past Performance			Loca- tion	State <del>Firm</del>	State <del>Firm</del>	TOTAL	Number Ranking
Project No.:																100%	of
Project Name:	percentage points						percent			percent			%	%	%	(Should	Firm
Rater:	Arch	CE	EE	ME	SE	Other	Pers Avail	work load	Proj Cntrl	Sch	Qual	Bgt				total	
Date of Eval:	%	%	%	%	%	%	%	%	%	%	%	%				100	
High Range	to	to	to	to	to	to	to	to	to	to	to	to	to	to	to	percent	
Medium Range	to	to	to	to	to	to	to	to	to	to	to	to	to	to	to	age	
Low Range	to	to	to	to	to	to	to	to	to	to	to	to	to	to	to	points)	
Name of Firm																	
1																	
2																	
3																	
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Remarks:																	

### A-E Tabulation Form

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8/24/84

## **ATTACHMENT C**





## WASHINGTON

### GENERAL CONTRACTOR/CONSTRUCTION MANAGER PROGRAM

**Contact:**

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Division of Engineering & Architectural Services  
Department of General Administration  
P.O. Box 41112  
Olympia, WA 98504-1112  
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**Program Area:** Facility Planning/Programming  
Design Contract Administration  
Quality Control  
Program Management

Capitol Program Funding  
Design Review  
Construction Contract Administration  
Employee Motivation/Training

**Summary:**

In 1991, Washington was facing a crisis in prison overcrowding. The Legislature approved funds to double the inmate capacity of the state's prison system.

In order to facilitate cost-effective, timely facility construction, the state of Washington implemented an innovative approach to public works procurement, which required a change in the state's Public Works Laws. The General Contract/Construction Manager (GC/CM) process was approved. Its goal was to "bring inmate beds on-line" as rapidly and efficiently as possible, with the objective of building capacity to accommodate the projected inmate population increase.

The strategy used to achieve the stated goal was to create and utilize an innovative construction placement process.

Typically, when an owner needs to have a facility or facilities built within a specific timeframe, one available option is to fast-track the design-construction process by having work bid and started on preliminary elements of the project (e.g., site work, foundations) while the design is still being completed on later stages of the construction (e.g., mechanical, electrical, finish elements). The work is then put out to bid in bid packages covering a period of months (in some cases, years.) This results in multiple and separate prime contracts to the owner, with overlapping construction. The owner can hire a professional construction management (CM) firm to coordinate with the architect during design, and to oversee the work of the different prime contracts.

Although this method is workable in many instances, the owner does not receive a guarantee that the work will come in on schedule and within budget. For example, if bid packages come in over budget, the CM does not cover the additional cost. Redesign and rebid are possible for early bid packages, although there is a resulting extension in completion time. Once foundations and initial structural elements are in place, the owner loses flexibility to alter design in order to maintain the budget, should subsequent bid packages come in over budget. Additionally, if there is disagreement between separate prime contractors over work, the owner typically must cover the cost of additional work, or face claims (or both) to resolve issues.

Other delivery methods available for consideration include design-bid-build, negotiated contracts, design-build and construction manager.

The GC/CM process allows the owner to select the most qualified GC/CM firms, on a best-qualified basis, to compete for the work. The best-qualified firms are given the opportunity to bid their fixed percent fee for overhead and profit, which remains constant throughout the project. The owner receives a guaranteed construction cost, which includes a contract completion date. The A/E contract mirrors the GC/CM contract in time phasing of the work, completion date, etc. Having the GC/CM and A/E firms as equal members with the owner at the very beginning of the project optimizes the construction placement process.

**What problem is the program addressing?**

In 1990, the state of Washington was facing a critical shortage of prison bed space, the result of population growth and stiffer sentencing guidelines. Concerned about a looming crisis, the Departments of Corrections (DOC) and General Administration (DGA) pro-actively worked with stakeholders to revise the state's Public Works Laws. As a result of their efforts, the 1991 Legislature passed Engrossed Substitute House Bill (ESHB) 1777, General Contractor/Construction Manager (GC/CM) legislation. The enactment of ESHB 1777 empowered the DOC to expedite construction of critically-needed prison space. It also facilitated on-going value engineering and constructability reviews. In 1994, the Legislature expanded DGA/DOC authority by passing SHB 2239, which authorized the use of the GC/CM process to implement up to two demonstration projects, to group small projects valued from \$3 million to \$10 million at a single site.

**When was the program implemented and is it still operational?**

The program was implemented in 1991. It is still operational, with additional expanded authority authorized by the 1994 Legislature.

**How does the program result in dollar savings and/or efficiency for customers? For the owner agency?**

The GC/CM process facilitates a more refined construction process than conventional construction methods, as it enables greater efficiency, accountability, and improved communications. In the GC/CM firm selection process the first two phases require competitive screening of firms based on qualifications, experience, and other factors (exclusive of price.) In the third phase, the most qualified firms submit sealed bids for their fixed percent fee for performing the work plus a price for specified general conditions work: e.g., supervisory field staff, performance bond, temporary facilities, etc. The firm with the lowest bid is selected as the GC/CM firm and a Guaranteed Contract Cost (GCC) contract is negotiated.

During design, the GC/CM firm provides a variety of services that include, but are not limited to: constructability reviews, site assessment, cost estimating, assessment of construction methods, identifying bid packaging options and alternative construction methods for cost savings, scheduling, etc. Early in the process the GC/CM firm and the owner agree on the GCC for performing the work. The GCC is equal to the sum of the GC/CM firm's bid general condition work, a negotiated Maximum Allowable Construction Cost (MACC) for the work (e.g., subcontract work and non-bid general conditions work), the firm's bid fixed percentage fee applied to the MACC, and state sales tax. The GCC must be within the owner's budget; if not, the owner has the legal and contractual authority to terminate the contract and begin contract negotiations with the next low bidder.

When agreement is reached on the GCC, which includes the negotiated MACC, the GC/CM firm provides a performance/payment/warranty bond in the full amount of the work. With this bond, the GC/CM firm guarantees to build the project within the owner's budget, and at the program level agreed to at the time the MACC was negotiated. The schedule is also guaranteed by contract.

All subcontract work is competitively bid in the GC/CM process, in accordance with public work laws, using public bid openings. The GC/CM firm is prohibited from self-performing work. Should the value of the sum of the competitively-bid subcontracts, plus owner-approved change orders (defined as the "buyout"), be less than the MACC, then the differences (defined as the "buyout savings") accrue to the owner. Also, the GC/CM process ensures that contingency funds remaining at the completion of a project also belong to the owner.

**Is the program cost-effective?**

Under the GC/CM process there are no start-up or annual costs. Completed facilities are turned over to the client to operate.

The first facility constructed under the original 1991 GC/CM law was Airway Heights Corrections Center (AHCC), a \$113 million project. The original completion date for AHCC under "generic" public works methods was 1998. Using the new GC/CM method, AHCC was completed in 1993, almost five years ahead of the original schedule. The original AHCC project savings were \$6.5 million; \$4.5 million of which were returned to the project in terms of additional scope. The remaining \$1.5 million was re-appropriated to the 1995 - 1997 biennium for the facility expansion currently underway, using the design-bid-build process as the design was available.

Washington Corrections Center for Women (WCCW), was the second project done under the 1991 GC/CM laws. Two situations arose during the WCCW project that were quickly and positively resolved during the GC/CM process. First, the original closed-custody pod schematic design and construct a stand-alone facility that was within

budget. In the second situation, it was determined that facility programming needs would be best served by locating the Special Needs Unit in a different building than the original plan and design specified.

This change was also handled within a few days by the same team. Both of these examples of major change in project concept and design would have been very difficult and costly to accomplish within the agreed-to schedule and budget had the GC/CM process not been in place.

Building on lessons learned during the first biennium of GC/CM construction, DOC and DGA recognized that smaller projects - excluded by the original law - could benefit from the process. During the 1994 legislative session, DOC and DGA requested an expansion of the existing law to allow smaller projects to take advantage of the benefits of the GC/CM process. By combining multiple smaller projects awarded to one GC/CM firm, there is a potential for increased savings and efficiencies. The Legislature passed SHB 2239, authorizing DGA/DOC to enter into up to two demonstration projects to group small projects valued from \$3 million to \$10 million at a single site.

For the GC/CM demonstration projects, DOC elected to expand Larch and Cedar Creek Corrections Centers. At this time, these projects have their GC/CM and A/E firms under contract. The expanded GC/CM process is already proving valuable by refining the scope to be within budget. The GC/CM firm has submitted numerous value engineering ideas early in the design phase, another benefit of the new process. The project schedule is aggressive and the entire team is fully committed to assuring that the project stays within scope and is completed on schedule. In addition, the owner and the GC/CM firms have agreed to use offender labor and incentive clauses.

**Who are the beneficiaries of the program?**

- ✓ The GC/CM process benefits the owner; i.e., the state of Washington. The GC/CM process indirectly benefits the state's judicial system by providing quick bed space for convicted felons, at reduced costs.

**What is the feasibility of the program being used by other states?**

- ✓ The GC/CM process is highly recommended for use by the federal government and in other states. It represents a significant enhancement to traditional public works methods of construction placement.



## **ATTACHMENT D**



NOV 02 1992

September 11, 1990

TP 1-2-6

Approved



CONTRACTOR PREQUALIFICATION

1. PURPOSE

To establish procedures for qualifying contractors to bid on Department of Transportation contracts.

2. POLICY OR STATUTORY REQUIREMENT

Pursuant to NRS 408.333 and FHWA Federal-aid Highway Program Manual Vol. 6, Chapter 4, Section 1, Subsection 6, Paragraph 8, the Department of Transportation prior to furnishing plans and specifications to any contractor proposing to bid on any duly advertised work will determine the contractor's financial ability and experience in performing work of a similar nature.

3. SCOPE

This TP is applicable to prime contractors who wish to bid for work involving construction or maintenance of the highways and facilities of the Department of Transportation. Contractors supplying materials only are excluded from this requirement.

4. RESPONSIBILITY

a. The Administrative Services Division is responsible for:

- (1) Initiation and revision of this TP.
- (2) Providing administrative support to accomplish the prequalification process.

b. The Accounting Division is responsible for providing accounting support to accomplish the prequalification process.

c. The District and Resident Engineers are responsible for completing the Confidential Past Performance Report.

5. DEFINITIONS

- a. Prequalification - The determinations that a contractor is qualified to bid on Department of Transportation advertised work, based on the contractor's financial status and ability to perform the work.
- b. Bidding Capacity - The dollar amount of contract work that the Department of Transportation considers a contractor to be capable of performing.

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6. BASIC REQUIREMENTS

- a. Contractors will be required to provide only that information needed for prequalification.
- b. The standard forms will provide for verification under oath of the answers to questions contained therein.
- c. A contractor shall be qualified for a specified dollar amount of bidding capacity, a specified type of work, and a specific period of time.
- d. A contractor whose bidding capacity is in excess of \$25,000,000 will be classified as having "unlimited" bidding capacity for prequalification purposes.
- e. Since equipment may be rented, leased, or borrowed from a variety of sources, the capability for performing contracts will not be based solely on ownership of required equipment or current full-use of owned equipment. The contractor will be required to list only the following in relation to equipment:
  - (1) General description and capacity
  - (2) Quantity
  - (3) Book Value

7. PROCEDURES

- a. The Administrative Services Officer will:
  - (1) Pursuant to NRS 408.333 and FHWA Federal-aid Highway Program Manual Vol. 6, Chapter 4, Section 1, Subsection 6, Paragraph 8, develop a standard questionnaire and financial statement that a potential bidder may use to present the firm's experience and financial status.
  - (2) Make the standard prequalification form readily available to all prospective bidders.
  - (3) Insure that prequalification statements and related financial information are not more than nine months old on the date of filing of the statements.
  - (4) Insure that the duration of any qualification does not exceed one year plus the time to the end of that fiscal quarter. Extension of prequalification may be granted up to ninety days beyond the above limit.



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- (5) If notified that two or more contractors want to bid on a joint venture basis, provide the contractors with Form NDOT 070-037 "Statement of Joint Venture."
- (6) Insure that the Contractor's Statement of Experience and Financial Condition Form NDOT 070-005 is properly notarized.
- (7) Return the Contractor's Statement of Experience and Financial Condition Form NDOT 070-005 to the originator if it is incomplete or improperly prepared.
- (8) Evaluation Form NDOT 070-020 "Contractor Prequalification" must contain the following information:
  - (a) NDOT past performance ratings for the current year and the last four years.
  - (b) Average past performance ratings for the last five years:

An average rating of 65% or less by the Resident Engineer and the District Engineer may disqualify a contractor from prequalification for bidding on future jobs as a prime contractor.

When the average past performance ratings are 65% or less, the prequalification application will be referred to the Director for review.
- (9) Compute the increase factor which will be based upon company experience, volume of business in the past five years, and average past performance rating for the last five years as follows:
  - a) Company experience not to exceed four points.
    - 1.0 point - for each year's experience as a company in this field.
    - 0.5 point - for each year of related occupations.
    - 0.5 point - for each year of experience under another business name.
  - b) Volume of business not to exceed three points.
    - 0.5 point - for each million dollars of business conducted in the past five years.

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- c) Average of past 5-year performance rating not to exceed three points.

For average rating between:	0 and 49	-7 points
	50 and 55	-6 points
	56 and 59	-5 points
	60 and 65	-4 points
	66 and 70	0 point
	71 and 80	1 point
	81 and 90	2 points
	91 and 100	3 points

The total number of points creditable to a contractor will be the increase factor.

- (10) Enter onto Form NDOT 070-020 NDOT bidding capacities for the company for the four years previous to the current year, if available.
- (11) Route Form NDOT 070-020 with current financial statements of the contractor to the Chief Accountant for completion of the form.
- (12) Advise prospective bidders in writing of prequalification or non-qualification as soon as possible. If time is of the essence, initial notification may be by telephone. The written notification of prequalification will include:
- (a) The type of work the applicant is eligible to bid on.
  - (b) The dollar amount of the contractor's bidding capacity.
  - (c) The expiration date of prequalification.
- (13) Insure that Plans, Specifications and Proposal forms for bidding purposes are not provided to:
- (a) Contractors who are not prequalified.
  - (b) Contractors whose bidding capacity is less than the engineer's estimate of the forthcoming contract.
- (14) Not accept bids from contractors whose bidding capacity is less than the engineer's estimate of the forthcoming contract.
- (15) Insure that a "Notice to Contractors" is mailed to each contractor that is currently on the prequalified list each time an announcement is made that bid proposals will be received by the Department of Transportation.

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- (16) Establish a revised bidding capacity for a contractor when there is a significant change because of new Performance Reports, new financial information, new Notice of Credit Accommodations, or other relevant material. Notify the contractor whose bidding capacity is changed and include the reasons for the changed bidding capacity and the new bidding capacity.
- (17) Maintain a file that includes the following for each contractor who applies for prequalification.
  - (a) All original incoming correspondence and forms relative to prequalification.
  - (b) A copy of all outgoing correspondence and forms relative to prequalification.
  - (c) Completed Form NDOT 070-020, Contractor Prequalification.
- (18) Submit prequalification applications that are questionable to the Assistant Director, Administration, for prior approval.
- (19) Submit a monthly report of prequalification actions to the Director.

b. The Chief Accountant will:

- (1) Summarize the contractor's financial information and compute the current bidding capacity using Form NDOT 070-020 and "Notice of Credit Accommodations" Form NDOT 070-033.

Proposed or actual lines of credit will only be accepted on "Notice of Credit Accommodations" Form NDOT 070-033.

- (2) Compute bidding capacity as follows:
  - (a) Current assets - current liabilities + letters of credit + other cash or other considerations as indicated on financial statement = prequalification base.
  - (b) Prequalification base X increase factor = contractor bidding capacity.
- (3) Compute the bidding capacity of a joint venture by adding the prequalified amounts of all prime contractors involved in the joint venture.
- (4) Return the completed Form NDOT 070-020 and associated material to the Administrative Services Officer for further processing.

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- c. The Resident Engineer of the job and the District Engineer of the District in which the job is done will:
- (1) Prepare the Confidential Past Performance Reports Forms NDOT 040-043 and 040-044 taking into consideration the following aspects of the contractor's performance:
    - (a) Completing work within contract period.
    - (b) Quality of work.
    - (c) Cooperation with the Department of Transportation.
    - (d) Relations with the public.
    - (e) Labor relations and minority compliance.
    - (f) Cooperation.
    - (g) Availability of equipment.
  - (2) Prepare ratings independently of each other. None of the raters will be at liberty to review other ratings.
  - (3) Rate prime contractor. Subcontractors performing at least 15% or \$50,000.00 of the original contract amount of work on the contract will also be rated.
  - (4) Mark "Privileged Information" on the envelope and mail all Past Performance Reports directly to the Construction Engineer, Headquarters, Carson City. The Construction Engineer will forward the reports to Administrative Services for further processing.
  - (5) Insure that all Past Performance Reports are mailed to Headquarters no later than two weeks after the contract acceptance date.

END

# CONTRACTOR PREQUALIFICATION

## or Type of Work

- General Engineering ☐ Sewer & Drains  
 General Construction ☐ Excavating & Grading  
 General Building ☐ Fencing & Guardrail  
 Other \_\_\_\_\_

License No. \_\_\_\_\_

Contractor's Name \_\_\_\_\_

Physical Address \_\_\_\_\_

P.O. Box Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Telephone No. \_\_\_\_\_

Fax No. \_\_\_\_\_

Business Type \_\_\_\_\_ License Exp. \_\_\_\_\_ Amount \_\_\_\_\_

### Performance Ratings

#### For Four Years Previous to Current Year

Rating Not Available ☐

Date of Report \_\_\_\_\_

Contract Number \_\_\_\_\_

Prime, Sub. or Specialty \_\_\_\_\_

Assigned Rating per Contract \_\_\_\_\_

#### Computation for Current Year (Last 12 months)

Rating Not Available ☐

Contract Number \_\_\_\_\_

Prime, Sub. or Specialty \_\_\_\_\_

Res. Engr. \_\_\_\_\_

Dist. Engr. \_\_\_\_\_

Assigned Rating (Total 7 & 8 ÷ 2) \_\_\_\_\_

1. Average Rating for Past Five Years (Total of 4 and 9 Divided by number of ratings) \_\_\_\_\_

Rating Unacceptable ☐

1. U.S. Debarred List Checked \_\_\_\_\_ WBE/DBE List Checked \_\_\_\_\_

### Computation of Increase Factor or Disqualification

Increase Factor Points

1. a. 1.0 point for each year's experience as a company in this field ( \_\_\_\_\_ yrs.)

b. 0.5 point for each year's related occupations ( \_\_\_\_\_ yrs.)

c. 0.5 point for each year's experience under another name ( \_\_\_\_\_ yrs.)

\_\_\_\_\_ 4 Point Max.

1. 0.5 point for each million dollars of In-State or Out-of-State Highway business in the immediate past five years (\$ \_\_\_\_\_)

\_\_\_\_\_ 3 Point Max.

1. Points based on Average Rating, Line 10 : Rating 0 to 49, -7 rating 50 to 55, -6, rating 56 to 59, -5, rating 60 to 65, -4, rating 66 to 70, 0, rating 71 to 80 +1, rating 81 to 90, + 2, rating 91 to 100, + 3

\_\_\_\_\_ 3 Point Max.

1. INCREASE FACTOR (Total of lines 12, 13 & 14) \_\_\_\_\_

### Bidding Capacity (To be computed by Accounting)

Two Years Ago

Last Year

Current Year

1. Date \_\_\_\_\_

1. Current Assets \_\_\_\_\_

1. Liabilities \_\_\_\_\_

1. Working Capital (Subtract 18 from 17) \_\_\_\_\_

1. Letters of Credit and Other Cash \_\_\_\_\_

1. Prequalification Base (19 plus 20) \_\_\_\_\_

1. Increase Factor (From 15) \_\_\_\_\_

1. BIDDING CAPACITY (Multiply 21 by 22) \_\_\_\_\_

**State of Nevada**  
**Department of Transportation**  
**Notice of Credit Accommodations**

STATE OF NEVADA  
DEPARTMENT OF TRANSPORTATION  
1263 SOUTH STEWART STREET  
CARSON CITY, NEVADA 89712

Date \_\_\_\_\_

**ATTENTION:** Administrative Services Division

Gentlemen:

We are advised that

\_\_\_\_\_  
Name of Contractor

is endeavoring to fulfill prequalification requirements with you in order to perform contracts with the State of Nevada, Department of Transportation. In that regard, we have been asked to advise you that we have extended credit accommodations to that contractor in the amount of \$\_\_\_\_\_

This letter is signed with the understanding that it is to be used by the State of Nevada, Department of Transportation, in connection with the determination of said contractor's financial ability to perform work under contracts which may be awarded to him by the Department of Transportation.

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Address

By \_\_\_\_\_

\_\_\_\_\_  
Title

**STATE OF NEVADA  
DEPARTMENT OF TRANSPORTATION  
1263 SOUTH STEWART STREET  
CARSON CITY, NEVADA 89712**

**CONTRACTOR'S STATEMENT  
OF EXPERIENCE  
AND FINANCIAL CONDITION  
FOR PREQUALIFICATION**

TO BE FILED WITH THE DEPARTMENT OF TRANSPORTATION  
BY CONTRACTORS PROPOSING TO BID ON STATE D.O.T. CONSTRUCTION  
IN ACCORDANCE WITH THE PROVISIONS OF NEVADA REVISED  
STATUTES 408.333.

SUBMITTED BY \_\_\_\_\_

ADDRESS \_\_\_\_\_

## INSTRUCTIONS FOR FILING STATEMENT AND OTHER GENERAL INFORMATION FOR BIDDERS

### 1. Preparation of Statement

Only one original of this statement is required by the Department

PAGES 2 AND 3 MUST BE COMPLETELY FILLED OUT BY APPLICANT AND APPLICABLE AFFIDAVIT ON PAGE 10 MUST BE EXECUTED. FAILURE TO EXECUTE AFFIDAVIT PROPERLY WILL RESULT IN DELAYS IN PROCESSING AND THE APPLICATION WILL BE RETURNED TO THE APPLICANT FOR COMPLETION. PAGES 4 THROUGH 9 MAY BE LEFT BLANK IF A FINANCIAL STATEMENT IS ATTACHED THAT PROVIDES ANSWERS TO ALL QUESTIONS.

The application must be submitted at least five (5) days prior to date of opening bids in order to receive consideration for prequalification for a particular bid opening. It is highly desirable to submit a statement at least one month prior to a bid opening.

All data submitted shall be as of a date not more than nine (9) months prior to the date of filing statements.

### 2. Notification of Action taken by the Department

The Department will notify the applicant of its decision within fifteen (15) days after receipt of application.

If a contractor is duly qualified he will be apprised in writing of both the amount and type of work which he will be eligible to bid on and the period for which he will be qualified.

### 3. Duration of Qualification

The duration of any qualification shall not exceed one year. Upon written request the Department may extend the expiration date up to 90 days if the request is made prior to expiration.

### 4. Submission of a New Statement for Requalification

A qualified bidder must submit a new statement before the expiration date as set in writing by the Department. Otherwise the bidder will be automatically disqualified and remain as such until a new statement is submitted and passed upon by the Department.

### 5. Revision of Qualification Rating

Requests for the revision of qualification rating will be considered at any time, provided credentials showing increased assets, equipment or ability to perform work are submitted.

These requests must be submitted at least five (5) days prior to a bid opening to receive consideration for that bid opening.

### 6. Request for Plans, Specifications and Proposal Forms

After a bidder has been duly qualified, he will receive notices from time to time inviting the submission of proposals for contracts to be let on specified dates. If a bidder desires to receive plans, specifications and proposal forms for any contract, he shall request them from the office of the Administrative Services Officer, 1263 So. Stewart Street, Carson City, Nevada 89712, (702) 885-5412

All proposals submitted by duly prequalified bidders must be submitted in the identical names used in their prequalification statements.

### 7. Joint Qualification

Two or more contractors who have qualified by filing separate statements and who wish to combine all or a portion of their assets for bidding on a single project may do so by filing with the Department of Transportation a joint affidavit setting forth therein their desire to be qualified jointly on a specific contract.

If permanent joint qualification is desired, a combined statement of experience and financial condition shall be submitted.



(Please Type or Print in Ink)

# CONTRACTOR'S FINANCIAL STATEMENT

Name Your Banker.....  
 Address.....  
 Name Your Surety Company.....  
 Address.....

Condition at close of business.....

ASSETS	DETAIL	TOTAL
<b>Current Assets:</b>		
1. Cash.....		
2. Notes Receivable.....		
3. Accounts Receivable from completed contracts, exclusive of claims not approved for payment (net).....		
4. Sums earned on incomplete contracts as shown by Engineer's estimate (net)....		
5. Accounts Receivable from sources other than construction contracts (net).....		
6. Deposits for bids on other guarantees.....		
7. Interest accrued on loans, securities, etc.....		
8. Negotiable securities, stocks, bonds, etc.....		
9. Materials in stock not included in Item 4.....		
<b>TOTAL.....</b>		
<b>Fixed Assets:</b>		
10. Real Estate.....		
11. Construction plant and equipment, book value.....		
12. Furniture and fixtures, book value.....		
<b>TOTAL.....</b>		
13. <b>Other Assets</b> .....		
<b>TOTAL ASSETS.....</b>		
<b>LIABILITIES AND CAPITAL</b>		
<b>Current Liabilities:</b>		
1. Notes payable, exclusive of equipment obligations.....		
2. Accounts payable and accruals.....		
<b>TOTAL.....</b>		
<b>Fixed or Secured Liabilities:</b>		
3. Real Estate encumbrances.....		
4. Equipment obligations secured by equipment.....		
<b>TOTAL.....</b>		
5. <b>Other Liabilities</b> .....		
6. <b>Reserves</b> .....		
7. <b>Capital Stock Paid Up</b> .....		
8. <b>Surplus (net worth)</b> .....		
<b>TOTAL LIABILITIES AND CAPITAL.....</b>		
<b>CONTINGENT LIABILITIES</b>		
1. Liability on notes receivable, discounted or sold.....		
2. Liability on accounts receivable, pledged, assigned, or sold.....		
3. Liability as bondsman.....		
4. Liability as guarantor on contracts or on accounts of others.....		
5. Other contingent liabilities.....		
<b>TOTAL CONTINGENT LIABILITIES.....</b>		

NOTE—Show details under main headings in first column, extending totals of main headings to second column.

## DETAILS RELATIVE TO ASSETS

<b>1</b>	<b>Cash:</b> (a) On hand..... \$..... (b) Deposited in banks named below..... (c) Elsewhere—(state where).....	\$.....
----------	--	---------

NAME OF BANK	LOCATION	DEPOSIT IN NAME OF	AMOUNT

<b>2*</b>	<b>Notes receivable:</b> (a) Due within 90 days..... \$..... (b) Due after 90 days..... (c) Past due.....	\$.....
-----------	---	---------

RECEIVABLE FROM: NAME AND ADDRESS	FOR WHAT	DATE OF MATURITY	HOW SECURED	AMOUNT

Have any of the above been discounted or sold?.....If so, state amount, to whom, and reason.....

<b>3*</b>	<b>Accounts receivable from completed contracts exclusive of claims not approved for payment.....</b>	\$.....
-----------	---	---------

NAME AND ADDRESS OF OWNER	NATURE OF CONTRACT	AMOUNT OF CONTRACT	AMOUNT RECEIVABLE

Have any of the above been assigned, sold or pledged?.....If so, state amount, to whom, and reason.....

<b>4*</b>	<b>Sums earned on incomplete contracts, as shown by engineer's estimate:</b> (a) Amount receivable after deducting amounts retained..... \$..... (b) Amounts retained to date, due upon completion of contract.....	\$.....
-----------	---	---------

DESIGNATION OF CONTRACT AND FOR WHOM PERFORMED	AMOUNT OF CONTRACT	AMOUNT EARNED	AMOUNT RECEIVED	AMOUNT RETAINED		AMOUNT EXCLUSIVE OF AMOUNT RETAINED
				WHEN DUE	AMOUNT	

Have any of the above been assigned, sold or pledged?.....If so, state amount, to whom and reason.....

\*List separately each item amounting to 10 percent or more of the total and combine the remainder.

# **DETAILS RELATIVE TO ASSETS (Continued)**

**5\*** Accounts receivable not from construction contracts..... \$.....

RECEIVABLE FROM: NAME AND ADDRESS	FOR WHAT	WHEN DUE	AMOUNT

What amount, if any, is past due..... \$.....  
Assigned, sold, or pledged..... \$.....

**6** Deposits with bids or otherwise as guarantees..... \$.....

DEPOSITED WITH: NAME AND ADDRESS	FOR WHAT	WHEN RECOVERABLE	AMOUNT

What amount, if any, has been assigned, sold, or pledged..... \$.....

**7** Interest accrued on loans, securities, etc..... \$.....

ON WHAT ACCRUED	TO BE PAID WHEN	AMOUNT

What amount, if any, has been assigned, sold, or pledged..... \$.....

**8** Stocks and bonds: (a) Listed—Present market value..... \$.....  
(b) Unlisted—Present value..... \$.....

DESCRIPTION	ISSUING COMPANY	LAST INTEREST OR DIVIDEND PAID		PAR VALUE	PRESENT MARKET VALUE	QUANTITY	AMOUNT
		DATE	PER-CENT				
1							
2							
3							
4							
5							
6							
7							

WHO HAS POSSESSION	IF ANY ARE PLEDGED OR IN ESCROW, STATE FOR WHOM AND REASON	AMOUNT PLEDGED OR IN ESCROW
1		
2		
3		
4		
5		
6		
7		

\*List separately each item amounting to 10 percent or more of the total and combine the remainder.

### DETAILS RELATIVE TO ASSETS (Continued)

(a) For use on incomplete contracts (inventory value)..... \$.....

(b) Other materials (inventory value).....

DESCRIPTION OF MATERIAL	QUANTITY	PRESENT VALUE	
		For Incompleted Contracts	Other Materials

<b>Real estate</b>	(a) Used for business purposes.....	\$ .....
<b>Book value</b>	(b) Not used for business purposes.....	.....

DESCRIPTION OF PROPERTY	IMPROVEMENTS		TOTAL BOOK VALUE
	Nature of Improvements	Book Value	
1			
2			
3			
4			
5			
6			
7			

LOCATION	HELD IN WHOSE NAME	ASSESSED VALUE	AMOUNT OF ENCUMBRANCES
1			
2			
3			
4			
5			
6			
7			

**Construction equipment at book value..... \$.....**  
 List separately each item or similar class of items, e.g., 1 power shovel, 7½-ton trucks, etc. Do not list equipment as "tractors, trucks, shovels, etc.," with no segregation. If more space than is provided is needed affix a separate sheet hereto.  
 (List separately all items of quarries, gravel pits, warehouses and similar plants which are not included under Detail "10"—Real Estate.)

[illegible]

Are there any liens against above?.....If so, state total amount..... \$.....

**DETAILS RELATIVE TO ASSETS (Continued)**

**12** Furniture and fixtures at book value..... \$.....

**13** Other assets..... \$.....

DESCRIPTION	AMOUNT

**TOTAL ASSETS**..... \$.....

**14** Total value of other contracts awarded or pending award and not included in above statements..... \$.....

DESCRIPTION OF CONTRACT	FOR WHOM PERFORMED	DATE FOR COMPLETION	AMOUNT

**Total (not to be included in assets)**..... \$.....

**15** Bonds supplied during last five years:

COMPANY	AMOUNT

## DETAILS RELATIVE TO LIABILITIES

<b>1</b>	Notes payable:	(a) To banks, regular..... \$..... (b) To banks for certified checks..... (c) To others exclusive of equipment obligations.....	\$.....
----------	----------------	---	---------

TO WHOM: NAME AND ADDRESS	WHAT SECURITY	WHEN DUE	AMOUNT

<b>2</b>	Accounts payable:	(a) Not past due..... \$..... (b) Past due.....	\$.....
----------	-------------------	--	---------

TO WHOM: NAME AND ADDRESS	FOR WHAT	DATE PAYABLE	AMOUNT

<b>3</b>	Real estate encumbrances (See Item 10, Assets).....	\$.....
----------	---	---------

<b>4</b>	Equipment obligations secured by equipment.....	\$.....
----------	---	---------

TO WHOM: NAME AND ADDRESS	MONTHLY PAYMENTS REQUIRED	AMOUNT

<b>5</b>	Other liabilities.....	\$.....
----------	------------------------	---------

DESCRIPTION	AMOUNT

<b>6</b>	Reserves.....	\$.....
----------	---------------	---------

INTEREST	INSURANCE	BLDGS.-FIXT.	PLANT DEPR.	TAXES	BAD DEBTS	MAINTENANCE	
\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....	\$.....

<b>7</b>	Capital stock paid up:	(a) Common..... \$..... (b) Preferred.....	\$.....
----------	------------------------	---	---------

<b>8</b>	Surplus.....	\$.....
----------	--------------	---------

TOTAL LIABILITIES.....	\$.....
------------------------	---------

**If a corporation, answer this:**

**Treasurer's name**.....

State whether partnership is general, limited or association

**Age**

**Qualification Amount**

**Firm name**

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## AFFIDAVIT FOR INDIVIDUAL

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS.

\_\_\_\_\_, being duly sworn, deposes and says: That the foregoing statement of experience and financial condition and all statements therein contained are true and correct as of \_\_\_\_\_, 19 \_\_\_\_; that the statement is for the purpose of inducing the Department of Transportation to supply the submitter with plans and specifications and that any depository, vendor, or other agency therein named is hereby authorized to supply said Department of Transportation with any information necessary to verify the statement; furthermore, should the foregoing statement at any time cease to properly and truly represent his financial condition, he will refrain from further bidding on State work until he shall have submitted a revised and corrected statement.

Sworn to before me this \_\_\_\_\_ day

of \_\_\_\_\_, 19 \_\_\_\_\_

Applicant must sign here

\_\_\_\_\_  
Notary Public

## AFFIDAVIT FOR COPARTNERSHIP

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS.

\_\_\_\_\_, being duly sworn, deposes and says: That he is a member of the firm of \_\_\_\_\_ and that the foregoing statement of experience and financial condition and all statements therein contained are true and correct as of \_\_\_\_\_, 19 \_\_\_\_; that the statement is for the purpose of inducing the Department of Transportation to supply the submitter with plans and specifications, and that any depository, vendor, or other agency therein named is hereby authorized to supply said Department of Transportation with any information necessary to verify the statement; furthermore, should the foregoing statement at any time cease to properly and truly represent the financial condition of said firm, they will refrain from further bidding on State work until they shall have submitted a revised and corrected statement.

Sworn to before me this \_\_\_\_\_ day

Member of firm must sign here

of \_\_\_\_\_, 19 \_\_\_\_\_

Name of firm

The foregoing statement and affidavit are hereby approved

\_\_\_\_\_  
Notary Public

Remaining members of firm must sign here

## AFFIDAVIT FOR CORPORATION

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS.

\_\_\_\_\_, being duly sworn, deposes and says: That he is \_\_\_\_\_ of the \_\_\_\_\_, the corporation described in the foregoing statement of experience and financial condition, and all statements therein contained are true and correct as of \_\_\_\_\_, 19 \_\_\_\_; that the statement is for the purpose of inducing the Department of Transportation to supply the submitter with plans and specifications, and that any depository, vendor, or other agency therein named is hereby authorized to supply said Department of Transportation with any information necessary to verify the statement; furthermore, should the foregoing statement at any time cease to properly and truly represent the financial condition of said corporation, they will refrain from further bidding on State work until they shall have submitted a revised and corrected statement.

Sworn to before me this \_\_\_\_\_ day

of \_\_\_\_\_, 19 \_\_\_\_\_

Officer must sign here

\_\_\_\_\_  
Notary Public

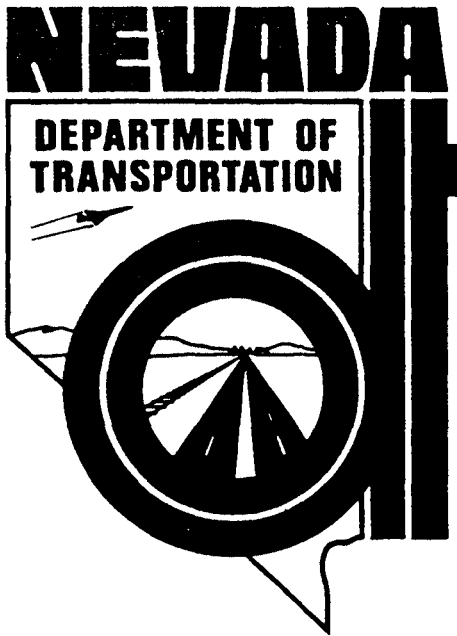
NOTE: Use full corporate name and attach corporate seal

## **CONTRACTOR'S PREQUALIFICATION LAW**

**Nevada Revised Statutes 408.333**

### **408.333 Bids and bidders: Experience and financial ability; required statements.**

- 1. Before furnishing any person proposing to bid on any duly advertised work with the plans and specifications for such work, the Director shall require from such person a statement, verified under oath, in the form of answers to questions contained in a standard form of questionnaire and financial statement, which shall include a complete statement of the person's financial ability and experience in performing public work of a similar nature.**
- 2. Such statements shall be filed with the Director in ample time to permit the department to verify the information contained therein in advance of furnishing proposal forms, plans and specifications to any such person proposing to bid on any such duly advertised public work, in accordance with the rules and regulations of the department.**
- 3. Whenever the Director is not satisfied with the sufficiency of the answers contained in such questionnaire and financial statement, he may refuse to furnish such person with plans and specifications and the official proposal forms on and such duly advertised project. Any bid of any person to whom plans and specifications and the official proposal forms have not been issued in accordance with this section must be disregarded, and the certified check, cash or undertaking of such bidder returned forthwith.**
- 4. Any person who may be disqualified by the Director, in accordance with the provisions of this section, may request, in writing, a hearing before the engineer and present again his check, cash or undertaking and such further evidence with respect to his financial responsibility, organization, plant and equipment, or experience, as might tend to justify, in his opinion, issuance to him of the plans and specifications for such work.**
- 5. Any such person shall have the further right of appeal from the decision of the Director to the board, but such appeal shall be made not later than 5 days prior to the opening of bids on any such project. If such appeal is sustained by the board, such person shall be admitted to the rights and privileges of all other bidders.**



STATE OF NEVADA  
DEPARTMENT OF TRANSPORTATION

**RESIDENT ENGINEERS' CONFIDENTIAL PAST PERFORMANCE REPORT**

**CONTRACTORS AND SUBCONTRACTORS**

**INSTRUCTIONS:** Upon completion of a contract this form must be filled out by the Resident Engineer and then forwarded directly to the Construction Office. In the event there is a change of Resident Engineers on a contract, the Resident Engineer leaving the project must fill out this form and submit it as indicated above.

**Check One:**

☐ PRIME CONTRACTOR      ☐ SUBCONTRACTOR      ☐ SPECIALTY CONTRACTOR

Date of report.....Acceptance date.....

Contract No.....Project No.....

Description.....

Contractor.....

Address.....

Amount of work \$.....Type of work.....

**Answer all questions 1 through 13 using the following percentages:**

Poor..... 0-60%	Average.....71-80%	Very good or excellent.....91-100%
Fair.....61-70%	Good.....81-90%	

**GROUP 1—COOPERATION**

**NOTE:** Each question has a maximum value of 100 percent. Group 1 Rating is the average of total values.

To what degree was the contractor cooperative with:

1. The Department?.....%
2. County and municipal officials?.....%
3. Adjacent property owners and considerate of their rights (ingress and egress, noise and dust)?.....%
4. Providing protection for the public?.....%
5. Equal employment opportunity requirement?.....%
6. Safety requirement?.....%
7. Others?.....%
- (a).....%

GROUP 1 RATING (Maximum 100 percent).....%

(CONTINUED ON OTHER SIDE)

**GROUP 2—FURNISHING AND ORGANIZING THE JOB**

**NOTE:** Each question has a maximum value of 100 percent. Group 2 Rating is the average of total values.

To what degree was the contractor:

8. Properly supervising the job?.....%
9. Properly manning the job?.....%
10. Properly equipping the job?.....%
11. Maintaining consistent progress on the job?.....%
- Organizing the job?.....%
12. Others?.....%
- (a).....%
- GROUP 2 RATING (Maximum 100 percent) .....

**GROUP 3—QUALITY OF WORK**

**NOTE:** Each question has a maximum value of 100 percent. Group 3 Rating is the average of total values.

To what degree was the contractor:

13. Maintaining the quality of work?.....%
- GROUP 3 RATING (Maximum 100 percent) .....

Remarks (Mandatory).....

.....

.....

.....

.....

AVERAGE OF TOTAL VALUES (Groups 1, 2 and 3 maximum 100 percent) .....

.....

Resident Engineer

.....

Date

# DOT Construction Manual

It will be the responsibility of the Resident Engineer to make certain that all deficiencies listed are corrected. After all the deficiencies been corrected to the satisfaction of the Resident and District Engineers, the District Engineer shall then, in writing, notify the Contractor that the project is now acceptable with copies of the letter going to the aforementioned interested parties.

For projects falling under Certification Acceptance, the District Engineer must formally certify that the work has been performed in accordance with the plans and specifications, and that the contract is complete and acceptable to him. Before making such certification, the District Engineer shall review the various inspection reports, materials reports, and other project documents to assure that all deficiencies have been remedied.

After the field acceptance has been made by the District Engineer, it will be the responsibility of the Construction Engineer to notify the Administrative Officer of the field acceptance. The Administrative Officer will then initiate the office acceptance procedures which will culminate in final acceptance of the project by the Director.

It will be the responsibility of the Resident Engineer to notify the Construction Division of the last working day to be charged. This should be included in the project completion letter and on the last working day report.

## 3-401.3 COMPUTATION AND COMPILATION OF FINAL QUANTITIES

The Final Estimate Review Section (field engineers) of the Construction Division shall thoroughly review the project quantity documentation and prepare the Final Pay Estimate from documented sources. The final estimate shall be prepared from field books, calculation books, documentation sheets, etc., and from other recordation which may be present on the project. Adequate documentation for all pay quantities must be verified by the field engineer before the quantities will be included in the final estimate.

The field engineers are well aware of documentation requirements and as such they are able to spot documentation inadequacies during preparation of the Final Estimate. If inadequacies are noted by the field engineer, it will be the responsibility of the Resident Engineer to insure that the inadequacies are corrected prior to completion of the final estimate. The various checks that the field engineer makes to determine if there is adequate documentation does not relieve the Resident Engineer of the responsibility for the original source documentation.

Following the determination of the final quantities on highway construction projects by the field engineers from the Construction Division, it will be Department policy to mail the final quantities to the contractor for his review and approval per Section 109.07 of the Standard Specifications.

The field engineer will prepare a final report on all projects. The final report is a document intended to summarize and verify payment for all items of work performed by the Contractor under the contract. The following list of information will be included in a typical final report:

1. Index
2. General Notes
3. Location sketch
4. Typical Sections
5. List of subcontractors
6. Construction Price Comparison
7. Copy of Final Estimate
8. Count of Working Days
9. Bid Item Sheets

The final report will make the necessary reference to the source documents verifying the final quantities. Copies of the final report will be furnished to the Federal Highway Administration, Contractor and other interested parties.

#### 3-401.4 FINAL ACCEPTANCE AND PAYMENT

The ~~District Engineer~~ <sup>Project Engineer</sup> makes the "field acceptance" of a project after making the final inspection of the project. The field acceptance is not to be confused with final acceptance since only the Director is authorized to make the final acceptance.

The ~~field engineer~~ <sup>Project Engineer</sup> will ascertain whether the Contractor has complied with all construction requirements, i.e., labor statements, payrolls, ~~pit releases~~, Form FHWA 47, etc. When the required documents are submitted and approved, the field engineer will notify the Administrative-Officer, and the Administrative-Officer will then begin the final acceptance procedures. The Director will then make the final acceptance based on the findings of the ~~field engineer and the Administrative-Officer~~.

~~The Contractor has a specified amount of time to review the quantities before final payment is made. Final payment will be made by the field engineers at the conclusion of the specified time sequence as set forth in the Nevada Revised Statutes and Standard Specifications.~~

#### 3-402 POST-CONTRACT ACTIVITY

##### 3-402.1 CONTRACT CRITIQUE

After completion of a highway project, a Contract Critique Meeting may be held. The purpose of the critique will be to provide a forum for comments on the significant changes made during the progress of the work, with particular emphasis on features which can be improved in future work. Specifically cost overruns, change orders, changes in specification and other occurrences which added costs to the project will be reviewed in summary form.

## PROCEDURE

The Assistant Director of Operations will be the individual in charge of the review and will moderate the administrative proceedings.

Projects selected for review will be made by the Chief Construction Engineer based on complexity, uniqueness, and the extent of changes encountered on the project. In addition any requests from FHWA or other Divisions will be considered in the selection process. The Construction Division will set the meeting date and provide written notification to the review team members.

The Review Team will consist of the following representatives as permanent members with additional Divisions representatives invited on an as needed basis.

CONSTRUCTION	- Asst. Construction Engineer
DISTRICT	- Dist. Construction Engineer
	- Resident Engineers
	- Maintenance Representative
DESIGN	- Asst. Design Engineer
	- Specifications Engineer
	- Senior Design Engineer
	- Designer
MATERIALS & TESTING	- Asst. M & T Engineer
	- Roadbed Design Engineer
	- Geotechnical Engineer
FHWA	- Operations Engineer
	- Area Engineer

## RESPONSIBILITIES

CONSTRUCTION - Select the projects to be reviewed, arrange a meeting, set the time and date, and notify all representatives. Provide a list of all change orders, cost overruns and claims to review team members in advance of the meeting. Prepare and distribute a written evaluation of the significant findings.

DISTRICT - Provide a list of significant findings, each finding to be accompanied by a brief explanation. This list is to be submitted to the Construction Division after written notification of the project selected for review and prior to the meeting.

DESIGN - Provide input on significant findings. Follow up on any design recommendations that may come from the review, and implement when possible.

MATERIALS AND TESTING - Provide input on significant findings. Follow up on any materials recommendations that may come from the review, and implement when possible.

\*FHWA - Provide recommendations on significant findings.

\*Federal-Aid projects.



### 3-402.2 CONTRACTOR'S PAST PERFORMANCE RATINGS

Upon completion of a contract, Form No. 040-044, or Form No. 040-043, "Confidential Past Performance Report" must be prepared by the Resident Engineer and District Engineer for the prime Contractor and each major subcontractor.

For purposes of Confidential Performance Ratings, a Major Subcontractor is defined as any subcontractor performing at least 15% or \$50,000.00 of the original contract amount of work on the contract.



## **ATTACHMENT E**



**4.01 SITE EXAMINATION**

- A. Bidders shall visit and carefully examine the site of the proposed Work and acquaint themselves with the conditions under which Work will be performed and nature and extent of the Work involved.
- B. In the event that any conflict is discovered between actual conditions existing on site and conditions described or indicated on drawings or in the Project Manual, the bidder shall request clarification before his offer is submitted. Otherwise, it will be assumed that premises have been thoroughly examined by the bidder and the Bid Sum covers all costs of all items necessary to perform the Work as set forth in the Bid Documents.

**4.02 MANDATORY PRE-BID CONFERENCE AND SITE WALK**

- A. A mandatory pre-bid conference has been scheduled as specified in Document 00020 - Advertisement for Bid.
- B. Attendee should be a principal of firm or a designated project manager.
- C. All general contract bidders are required to attend. Bids submitted by general contractors who do not attend the Mandatory Pre-Bid Conference shall be rejected and returned unopened.
- D. Representatives of the Owner, Construction Manager, Architect and Consultants will be in attendance.
- E. Questions to be discussed at the Pre-Bid Conference shall be submitted in writing to the Construction Manager 48 hours before the meeting.
- F. Information relevant to the Bid Documents will be recorded in an addendum and issued to all bidders of record.

**4.03 CALICHE REMOVAL**

- A. Contractors are responsible to include in their base bids all costs required for the removal of \_\_\_\_\_ cubic yards of caliche materials from mass excavations and \_\_\_\_\_ cubic yards from utility trenching excavations both on and off site. Refer to Document 00200, Subsurface Investigation Report.
- B. Bidders shall provide a Unit Price, excluding overhead and profit, for use in preparing an additive or deductive Change Order in accordance with Section 01028 - Change Order Procedure, for actual quantities encountered (plus or minus (5%) of the amount given in paragraph 4.03 A.). For Change Orders prepared under this unit rate, the additional mark-up for overhead and profit provided under Section 00811, paragraph 7.1.5 shall be applicable to additive changes and not applicable to deductive changes.

**5. QUALIFICATIONS****5.01 EVIDENCE OF PREQUALIFICATIONS**

- A. To demonstrate qualification for performing the Work of this Contract, bidder will be required to submit at the time of the Mandatory Pre-Bid Conference, the following written evidence:
  - 1. Copy of valid contractor license from the State of Nevada.
  - 2. Proof of insurance OR letter of intent to purchase insurance from an insurance company with a "Best" rating of at least "A-" or above and a FSC rating of at least Class VIII or above.

3. Letter of intent to issue bonds from surety who is licensed to do business in the State of Nevada and is listed in the most current Federal Register as acceptable as surety on Federal Bonds.
4. Submit at least three (3) reference letters from owners of work done by contractor as the General Contractor in the last three (3) years of similar size and scope to this Contract. If the contractor has done work for CCSD within three (3) years of similar size and scope to this Contract, only one (1) reference letter from an Owner other than CCSD is required.

In lieu of the reference letters, the contractor may submit a list of similar projects where he was the general contractor. This list is for work performed in the last five (5) years and must include the owner's name, contact, contact's telephone number, brief contract description (scope of work), time period of the project and dollar amount.

**B. Bidders proposing to submit a bid as a joint venture will be required to submit at the time of the Mandatory Pre-Bid Conference, the following written evidence:**

1. Copy of valid contractor license from the State of Nevada for each principal in the joint venture.
2. Proof of insurance OR letter of intent to purchase insurance in the name of the joint venture from an insurance company with a "Best" rating of at least "A-" or above and a FSC rating of at least Class VIII or above.
3. Letter of intent to issue bonds in the name of the joint venture from a surety who is licensed to do business in the State of Nevada and is listed in the most current Federal Register as acceptable as surety on Federal Bonds.
4. Submit at least three (3) reference letters from owners of work done by joint venture as the General Contractor in the last three (3) years of similar size and scope to this Contract. If the joint venture has done work for CCSD within three (3) years of similar size and scope to this Contract, only one (1) reference letter from an Owner other than CCSD is required.

In lieu of the reference letters, the joint venture may submit a list of similar projects where it was the general contractor. This list is for work performed in the last five (5) years and must include the owner's name, contact, contact's telephone number, brief contract description (scope of work), time period of the project and dollar amount.

5. A certified copy of the joint venture agreement between the parties of the joint venture. The joint venture agreement must provide that all principals will jointly participate in the work and share equally in the profits or losses.

**C. Unless a bidder, at the time of the Pre-Bid conference, supplies the Owner with proof of payment of:**

1. Sales and use taxes imposed pursuant to Chapters 372, 374 and 377 of NRS on materials used for construction of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of his bid,
2. Motor vehicle privilege taxes imposed pursuant to Chapter 371 of NRS on the vehicles used in the operation of his business of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of his bid; or
3. Any combination of such sales and use taxes and motor vehicle privilege tax.

the bidder will be considered by the Owner to have not paid such taxes as required by the NRS 338.147(2).

- D. All Contractors must submit complete back-up of sales and use taxes with the first pre-qualification package submitted after January of each year pursuant to the provisions of NRS 338.147. This complete set of proof of taxes will be returned to the contractor at the end of that same calendar year.

A Contractor who has previously provided the Owner with the proof of payment required pursuant to the provision of NRS 338.147 may update such proof on or before April 1, July 1, September 1 and December 1. The Owner will accept as such proof a notarized letter from a certified accountant stating that the Contractor has met the provisions of the NRS for the past quarter.

- E. Bidders proposing to submit a bid as a joint venture and qualify as a preferred bidder under NRS 338.147 may apply only if both or all of the joint venturers separately meet the requirements of the aforementioned proof of payment of taxes.

The Owner will consider the following to be sufficient proof of payment: sales and use tax receipts for materials used for construction; monthly or quarterly statements from the Nevada Department of Taxation Revenue Division for sales and use taxes paid for materials used for construction; or receipts for motor vehicle privilege taxes paid on the vehicles used in the operation of the bidders' business. Any submission received after the prebid conference will not be considered.

## 5.02 SUBCONTRACTORS/SUPPLIERS/OTHERS

- A. The Owner reserves the right to reject a proposed subcontractor for reasonable cause.
- B. Refer to Article 5 of the General Conditions of the Contract for Construction.
- C. In accordance with NRS 338.144, contractor must submit completed Document 00430 with each bid submitted. Document 00430 must list the name of each subcontractor who will provide labor or a portion of the work or improvement to the contractor for which the subcontractor will be paid an amount exceeding five percent of the contractor's total bid.
- D. In accordance with NRS 338.144, the contractors who submitted the three lowest bids must submit completed Document 00430A within two hours after the completion of the opening of bids. Document 00430A must list the name of each subcontractor who will provide labor or a portion of the work or improvement to the contractor for which he will be paid an amount exceeding one percent of the contractor's total bid or \$50,000, whichever is greater, and the number of the license issued to the subcontractor pursuant to Chapter 624 of NRS.

Note: Document 00430A must list all subcontractors listed on Document 00430. If a contractor fails to submit lists 00430 and 00430A within the required time, his bid will be deemed not responsive.

- E. At the time of the preconstruction conference, the Contractor must submit Document 00430B - Expanded Listing, a listing of all subcontractors performing work on the Project as listed in Document 00430B.

## 6. BID SUBMISSION

### 6.01 SUBMISSION PROCEDURE

- A. Bidders shall be solely responsible for the delivery of their bids in the manner and time prescribed.
- B. Submit one (1) bound copy in a folder, in order, as previously stated in this Section, paragraph 2.01.C., of the executed offer on the Bid Form provided, signed and sealed with the required