

GUIDE TO THE SRF PREQUALIFICATION OF CONSTRUCTION BIDDERS



Prequalification of construction bidders is allowed under the State Revolving Fund (SRF) when the project is:

- **using an alternative method of construction delivery such as Construction Management at Risk (CMAR) or Design/Build; OR**
- **using the traditional design/bid/build method of procurement IF (a) the project construction cost is estimated to exceed ten million dollars or (b) involves special circumstances or (c) where the construction involved is “unique” in nature, i.e., the project requires technical or management skill or experience not held by the typical licensed general contractor or specialty subcontractor.**

Only those bidders who are prequalified through this process are entitled to submit a bid or proposal for the project. The determination of which bidders are prequalified, and therefore eligible to submit a bid or proposal, is not protestable.

Note: Once the evaluation process is complete:

- **If the project is using an alternative construction delivery method,** proposals must be solicited from at least the top two prospective offerors by means of a Request for Proposals (RFP).
- **If the project is using the traditional design/bid/build method,** bids must be sought from **all** firms that meet the published minimum requirements for prequalification.

Prior to Advertising

The Project Sponsor shall:

- (1) **Submit a written request to use the Request for Prequalification (RFQ) process.** The request must demonstrate that the project meets the RFQ criteria referenced above. **The Project Sponsor must obtain DHEC approval prior to proceeding with the prequalification process and advertising the project.**
- (2) Designate a selection team to develop a RFQ Selection Plan which will be used to request and evaluate the responses from prospective offerors, which we will refer to as “Statements of Qualifications”. Essentially, the RFQ

Selection Plan is an “in-house” document and must not be part of the RFQ documents issued to prospective offerors. The RFQ Selection Plan must be approved by DHEC prior to advertising the project. At a minimum, the RFQ Selection Plan should include:

- (a) a list of the members of the RFQ Selection Team along with each member’s qualification for being selected and an explanation of their role in this process.
 - (b) a proposed list of evaluation factors along with a detailed explanation/description of each evaluation factor. Also, include the “weighting” or relative importance of each factor.
 - (c) a copy of the evaluation standards defining the minimum acceptable requirements for each factor. The evaluation standards serve as a measurement guide for the RFQ Selection Team to determine whether or not an offeror meets the minimum requirements.
 - (d) A schedule of significant milestones
- (3) Develop a RFQ file to document the entire RFQ process. This file must be available for review by DHEC and/or external auditors. The RFQ file must be retained for a minimum of three (3) years after the project is complete. (See this document’s item number 4 under *After Selection* for a complete list of the information that must be included in the RFQ file.)

Advertising

The Project Sponsor shall comply with the following items:

- (1) Advertise the project, for a minimum of thirty (30) days in advance of the deadline to submit the “Statements of Qualifications”. Use at least one of the following methods: (a) local newspapers of general circulation, (b) publications targeting minority or women owned businesses, (c) statewide or regional newspapers of general circulation, or (d) the South Carolina Business Opportunities (SCBO). The ad should include the following information:
 - (a) A complete statement of the work to be performed.
 - (b) A statement explaining that all prime contractors must be prequalified prior to submitting a bid or proposal.
 - (c) A statement explaining how and where to obtain prequalification documents as well as draft plans and specifications, if applicable. If plans and specifications are part of the RFQ documents, then this

statement should also inform prospective bidders that the draft plans and specifications are informational only and should not be used for bidding or estimating purposes.

- (d) Ad should clearly state the deadline and place to submit the “Statements of Qualifications”.
 - (e) A statement that the project is being funded by a loan from the SRF and that offerors must comply with all applicable state and federal requirements.
 - (f) If applicable, a statement that prospective offerors must implement procedures that ensure that Disadvantaged Business Enterprise (DBE) firms are given opportunities for meaningful participation if subcontracts are awarded.
 - (g) If applicable, a statement informing the prospective offerors of the project’s DBE goals.
- (2) If local or other funding sources have stricter bidding requirements than outlined herein, use the stricter requirements.

The RFQ

At a minimum, the RFQ document should:

- (1) Advise prospective offerors on how to organize and arrange their “Statements of Qualifications”.
- (2) List all evaluation criteria, along with a detailed explanation/description of each evaluation factor, and their relative importance. Numerical weightings for each factor are not required to be included in the RFQ.
- (3) State that a one hundred percent (100%) payment and performance bond are required. Offerors must provide a letter from their bonding company verifying their bonding limit and certifying they can obtain the required bonds once the final cost is established. It is the responsibility of the Project Sponsor’s attorney to review the payment and performance bonds for accuracy and completeness.
- (4) Require the contractor to provide fire, extended coverage, vandalism and malicious mischief insurance equal to the actual value of the insured property during construction. It is the

responsibility of the Project Sponsor's attorney to review the insurance documents for accuracy and completeness.

(5) If applicable, the RFQ documents should state that the selected contractor will be required to comply with the DBE provisions outlined in *The Disadvantaged Business Enterprise (DBE) Program* section of *Appendix A – Mandatory Supplemental General Conditions for the South Carolina State Revolving Fund Program*.

(6) Allow a minimum of thirty (30) days for prospective offerors to prepare and submit their "Statements of Qualifications".

Evaluation and Selection

The RFQ Selection Team shall assure the following:

- (1) The "Statements of Qualifications" will be evaluated using only the evaluation standards outlined in the RFQ. No other factors or criteria may be used in the evaluation and there must be strict adherence to any weighting specified for each factor.
- (2) There must be no disclosure of any information derived from Statements of Qualifications submitted by competing offerors. Proprietary or confidential information marked as such in each of the "Statements of Qualifications" shall not be disclosed without written permission of the offeror.
- (3) All responsive offerors must be ranked in writing from most advantageous to least advantageous.
- (4) The RFQ Selection Team's written evaluation and selection documentation (including each individual member's and RFQ Selection Team's rating and narrative sheets) must be retained in the RFQ file.

After Selection

Once the "Statements of Qualifications" have been evaluated and ranked:

- (1) The Project Sponsor shall notify offerors, in writing, of their qualification status. Notice should be given by first class mail to the name and address on the "Statements of Qualifications". NOTE: Neither the use of the RFQ process nor any prequalification ranking shall preclude a post-bid determination of whether a prequalified contractor meets the Project Sponsor's standards for responsibility.

- (2) If the method of contract award is traditional competitive bidding (also known as “design/bid/build”), then all prequalified bidders are eligible to proceed to the next step and submit bids. (See the *SRF Bidding and Award of Construction Contracts* guide.)
- (3) If the method of contract award is a Request for Proposals (RFP) process, then proposals must be solicited from at least the top two ranked RFQ offerors. (See the *Guide to the SRF Request for Proposals*.)
- (4) The Project Sponsor is required to retain the RFQ file created during the RFQ process for a minimum of three (3) years after the project is complete. This file must be available for review by DHEC and/or external auditors. At a minimum, the RFQ file should contain:
 - (a) Written justification for selection of the RFQ procurement method to include DHEC’s written approval letter for using the RFQ method
 - (b) A list of the members of the RFQ Selection Team along with each member’s qualification for being selected and an explanation of their role in the RFQ process
 - (c) The list of evaluation factors along with the “weightings”, detailed explanation/description of each factor and evaluation standard for each evaluation factor
 - (d) The schedule of significant milestones
 - (e) Summary of proceedings of presolicitation and preproposal conferences along with attendance sheets
 - (f) A copy of the RFQ and any associated documents and addenda
 - (g) A copy of all “Statements of Qualifications” received including any modifications
 - (h) Any and all documents related to the evaluation and selection processes to include individual member’s and RFQ Selection Team’s rating and narrative sheets
 - (i) Written ranking of all offerors from most advantageous to least advantageous
 - (j) Written justification for rejecting proposals
 - (k) Any other documentation related to this RFQ process