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SECTION 00 45 11
BIDDERS PREQUALIFICATIONS

1. Summary. A Bidder or their designated subcontractors are required to be prequalified or have applied for prequalification by the City for the work types requiring prequalification prior to submitting bids. To be considered for award of contract the Bidder must submit Section 00 45 12, PREQUALIFICATION STATEMENT for the work type(s) listed with their Bid. Any contractor or subcontractor who is not prequalified for the work type(s) listed must submit Section 00 45 13, PREQUALIFICATION APPLICATION in accordance with the requirements below. **The information must be submitted seven (7) days prior to the date of the opening of bids.** Subcontractors must follow the same timelines as contractors for obtaining prequalification review. Bidders or Subcontractors who are not prequalified at the time bids are opened and reviewed may cause the bid to be rejected.

The prequalification process will establish a bid limit based on a technical evaluation and financial analysis of the contractor. For example, a contractor wishing to submit bids on projects to be opened on the 7th of April must file the information by the 31st day of March in order to eligible to work on these projects. In order to facilitate the approval of a Bidder's Prequalification Application, the following must accompany the submission.

- a. A complete set of audited or reviewed financial statements.
 - (1) Classified Balance Sheet
 - (2) Income Statement
 - (3) Statement of Cash Flows
 - (4) Statement of Retained Earnings
 - (5) Notes to the Financial Statements, if any
- b. A certified copy of the firm's organizational documents (Corporate Charter, Articles of Incorporation, Articles of Organization, Certificate of Formation, LLC Regulations, and Certificate of Limited Partnership Agreement).
- c. A completed Bidder Prequalification Application.
 - (1) The firm's Texas Taxpayer Identification Number as issued by the Texas Comptroller of Public Accounts. To obtain a Texas Taxpayer Identification number visit the Texas Comptroller of Public Accounts online at the following web address www.window.state.tx.us/taxpermit/ and fill out the application to apply for your Texas tax ID.
 - (2) The firm's e-mail address and fax number.
 - (3) The firm's DUNS number as issued by Dun & Bradstreet. This number is used by the City for required reporting on Federal Aid projects. The DUNS number may be obtained at www.dnb.com.
- d. Resumes reflecting the construction experience of the principles of the firm for firms submitting their initial prequalification. These resumes should include the size and scope of the work performed.
- e. Other information as requested by the City.

2. Prequalification Requirements

- a. *Financial Statements.* Financial statement submission must be provided in accordance with the following:
 - (1) The City requires that the original Financial Statement or a certified copy be submitted for consideration.

- (2) To be satisfactory, the financial statements must be audited or reviewed by an independent, certified public accounting firm registered and in good standing in any state. Current Texas statutes also require that accounting firms performing audits or reviews on business entities within the State of Texas be properly licensed or registered with the Texas State Board of Public Accountancy.
- (3) The accounting firm should state in the audit report or review whether the contractor is an individual, corporation, or limited liability company.
- (4) Financial Statements must be presented in U.S. dollars at the current rate of exchange of the Balance Sheet date.
- (5) The City will not recognize any certified public accountant as independent who is not, in fact, independent.
- (6) The accountant's opinion on the financial statements of the contracting company should state that the audit or review has been conducted in accordance with auditing standards generally accepted in the United States of America. This must be stated in the accounting firm's opinion. It should: (1) express an unqualified opinion, or (2) express a qualified opinion on the statements taken as a whole.
- (7) The City reserves the right to require a new statement at any time.
- (8) The financial statement must be prepared as of the last day of any month, not more than one year old and must be on file with the City 16 months thereafter, in accordance with Paragraph 1.
- (9) The City will determine a contractor's bidding capacity for the purposes of awarding contracts. Bidding capacity is determined by multiplying the positive net working capital (working capital = current assets – current liabilities) by a factor of 10. Only those statements reflecting a positive net working capital position will be considered satisfactory for prequalification purposes.
- (10) In the case that a bidding date falls within the time a new financial statement is being prepared, the previous statement shall be updated with proper verification.

b. *Bidder Prequalification Application.* A Bidder Prequalification Application must be submitted along with audited or reviewed financial statements by firms wishing to be eligible to bid on all classes of construction and maintenance projects. **Incomplete Applications will be rejected.**

- (1) In those schedules where there is nothing to report, the notation of "None" or "N/A" should be inserted.
- (2) A minimum of five (5) references of related work must be provided.
- (3) Submission of an equipment schedule which indicates equipment under the control of the Contractor and which is related to the type of work for which the Contractor is seeking prequalification. The schedule must include the manufacturer, model and general common description of each piece of equipment. Abbreviations or means of describing equipment other than provided above will not be accepted.

3. Eligibility for Award of Contract

- a. The City shall be the sole judge as to a contractor's prequalification.
- b. The City may reject, suspend, or modify any prequalification for failure by the contractor to demonstrate acceptable financial ability or performance.
- c. The City will issue a letter as to the status of the prequalification approval.

- 1 d. If a contractor has a valid prequalification letter, the contractor will be eligible to
2 perform the prequalified work types until the expiration date stated in the letter.
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8 **END OF SECTION**
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