

CORONA-NORCO UNIFIED SCHOOL DISTRICT

CONTRACTOR'S PRE-QUALIFICATION PACKAGE

REQUEST FOR PREQUALIFICATION OF CONTRACTORS

(Public Contract Code Sections 20111.5 and 20111.6, and Education Code Section 17406)

Each contractor wishing to submit a bid as a general or prime contractor or an electrical, mechanical or plumbing subcontractor on public projects with an estimated value of One Million Dollars (\$1,000,000) or more where any part of the project funding is from a state school bond measure, must fully complete this questionnaire and provide all materials requested herein. The contractor's pre-qualification status will remain current for 12 months from the notice of qualification, and its public works rating, or financial rating, may be updated at any time. The District shall post upcoming projects in the following manner; advertisement in a generally circulated newspaper such as The Press Enterprise, on the District's Purchasing' webpage: https://www.cnusd.k12.ca.us/our_departments/business_services/purchasing/bids_rfps; The contractor may choose to bid on any or all of the projects for which it is prequalified.

Lease-Leaseback Projects. Pursuant to Education Code Sections 17406(a)(2) and 17407(c), contractors and, if applicable, electrical, mechanical or plumbing subcontractors who will perform public projects utilizing the lease-leaseback delivery method are subject to the same prequalification requirements for prospective contractors described in Public Contract Code Section 20111.6.

Answers to questions contained in the attached Standard Form of Questionnaire and Financial Statement are required, including a complete statement of prospective contractors' financial ability and experience in performing California public projects. These documents will be the basis of rating contractors with respect to the size and scope of contracts upon which each contractor is qualified to bid. The District reserves the right to check other sources available.

All prospective contractors must answer all questions, fill in all blanks and provide the required references. If a particular question does not apply, the response must state "Not Applicable" ("N/A"). In addition to disqualification for failure to meet the District's criteria, a contractor may be automatically disqualified should the completed questionnaire contain **false statements and/or omissions**. Additionally, should the prospective contractor not be able to answer "Yes" to each question in the following section entitled, "Quick Check - Should I fill out this package?", the prospective contractor will be automatically disqualified and its questionnaire not rated.

The questionnaire responses and financial statements are not public records and are not open to public inspection. All information provided, other than name, address, contact information and licensing, will be kept confidential to the extent permitted by law. The District reserves the right to reject any and all prequalification questionnaires and to waive any irregularities in the information contained therein.

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

notify the awarding body and provide updated accurate information in writing and under penalty of perjury. The failure of a contractor to timely complete fully and accurately each and every item contained on Contractor's Statement of Experience and Financial Condition shall constitute cause for the District to reject the prequalification of the contractor.

SUBMISSION OF COMPLETED STATEMENTS

The District's prequalification documents attached hereto require the contractor to submit to the District (by mail or personal delivery) the following documents (collectively referred to as the "Prequalification Documents"):

- Completed Contractor's Statement of Experience and Financial Condition
- Reviewed or Audited Financial Statement (Projects less than \$10,000,000)
- Audited Financial Statement (Projects \$10,000,000 or greater)
- Letter of Bondability
- Certificate of Insurance issued to Corona-Norco Unified School District
- Accountant's Release Letter
- Letter of Credit (optional)
- Certificate of Workers Compensation Insurance

Contractor shall submit the complete prequalification package to:

Corona-Norco Unified School District
Purchasing Department
2820 Clark Avenue
Norco, CA 92860-1903
Attn: Peace Aneke, Director 1, Purchasing

Please mark envelope "Confidential"

Quick Check - Should I fill out this package?

The following are screening statements which should be used to determine whether or not you pass the test to require you to enter the prequalification process.

You must be able to answer “YES” to each statement below.

1. I am qualifying as either (1) a general or prime contractor; or (2) a subcontractor in the electrical, mechanical or plumbing fields (Licenses C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43 and C-46).
2. I am appropriately licensed, insured and bondable.
3. I have an audited or reviewed financial statement, (as appropriate), that is less than 12 months old.
4. I have not declared bankruptcy or been placed into receivership within the last three (3) years.
5. I have completed at least two (2) public projects (as such term is defined in Public Contract Code section 22002(c)) of One Million Dollars (\$1,000,000) or more within the last three (3) years.
6. (For prequalification using lease-leaseback delivery method for projects under Ten Million Dollars (\$10,000,000)), I have completed at least two (2) lease-leaseback public projects with an estimated value of One Million Dollars (\$1,000,000) or more within the last three (3) years. (For prequalification using lease-leaseback delivery method for projects equal to or over Ten Million Dollars (\$10,000,000)), I have completed at least five (5) lease-leaseback public projects with a total estimated value of at least One Hundred Million Dollars (\$100,000,000) within the past five (5) years, of which at least two (2) of those projects had an estimated value of at least Twenty Million Dollars (\$20,000,000) each.
7. Within the last five (5) years, I have not been debarred or declared ineligible to bid on a public works contract as per Sections 1777.1 and 1777.7 of the Labor Code.
8. I have not had any contractor license held by my firm or its Responsible Managing Employee (RME) or Responsible Managing Officer (RMO) revoked or suspended within the last five (5) years.
9. I have not had a public works contract terminated by the project owner within the last five (5) years where a surety firm has completed the contract or paid for the completion of the contract.
10. I have not failed to complete any public works contract due to my fault within the last five (5) years. Including, but not limited to the Corona-Norco Unified School District.
11. I am registered with the Department of Industrial Relations as required by Labor Code section 1725.5.
12. I have completed at least two DSA-certified (2) Field Act public works school projects (as such term is defined in Education Code section 17281) of One Million Dollars (\$1,000,000) or more within the last three (3) years.
13. If you can answer “YES” to all of the above statements, please proceed with submission of this package.

DURATION OF PREQUALIFICATION RATING

Only one original copy of the Prequalification Documents is required to be submitted. A contractor's Prequalification Rating will be valid for one (1) year from notice of qualification by the District. To retain bidding eligibility, a contractor must submit new and current Prequalification Documents every year. Additionally, the District may, at any time, specifically request new Prequalification Documents, in which case, the contractor must comply within thirty (30) days, or the rating on file may, at the discretion of the District, be considered expired. A contractor may also file new Prequalification Documents if there is a substantial change in the contractor's financial status, and a new rating based on the latest Prequalification Documents will be issued. The following items must be provided or the prequalification submittal will not be accepted.

FINANCIAL INFORMATION

A. Audited & Reviewed Statement Requirements

Reviewed or audited statements will be required for projects under \$10 million. Audited statements will be required for all construction projects totaling \$10 million or greater. Note: A compilation is not acceptable.

B. Financial Capacity

Prospective contractors will be prequalified to bid on projects up to a maximum dollar amount based on the lesser of ten times working capital (current assets less current liabilities) or ten times net worth (total assets less total liabilities) whichever is less. Financial rating may be augmented by submission of a Letter of Bank Credit on the form included on Page 16. Particular attention is called to the fact that the certificate of the certified public accountant or licensed public accountant must express an unqualified opinion or a qualified opinion which does not negate an opinion on the statements as a whole in order to receive a "financial capacity" qualification. Note: Statements with a "negative quick asset" amount may not be augmented.

Working capital and net worth are important factors in determining the bidding capacity of a contractor; therefore, the accountant must furnish, by a supplementary schedule or as a part of the accountant's certificate, any information not specifically called for by the statement which, in the accountant's opinion, might properly be taken into consideration.

In the event that the contractor's job income and expenditures are accounted on a completed contract basis and the balance sheet includes an item reflecting the excess of costs to date over billing to date, or vice versa, the elements of "Accumulated Cost" and "Billings to Date" must be shown in support of the balance sheet item.

C. Accountant's Certificate and Release

The certificate of a licensed Certified Public Accountant will be required in all cases. The forms of certificate for both an audit and a review are included on Page 14. Use whichever is appropriate to your submittal. It will be acceptable for the accountant to submit a certificate in the accountant's own words. However, such qualifications shall not be so extensive as to nullify the value of the statement or its usefulness to the District.

The accountant's certificate shall not be made by any individual who is in the regular employ of the individual or entity submitting the statement, nor by any individual who possesses more than a ten percent (10%) financial interest in that entity.

An Accountant's Release Letter will be required. The responsible accountant must verify the validity of the applicant's financial statement. Use the form included on Page 15.

D. Term of Financial Statements

A contractor's financial information is valid until the date shown is more than one year old. The District reserves the right to reject statements in which the financial information is more than six (6) months old. All applicable portions of the form should be completed with schedules attached if the space provided does not suffice.

PUBLIC PROJECTS REQUIREMENTS

Projects estimated at less than \$10,000,000 require the successful completion of at least two (2) public projects with a cumulative average actual cost of construction equal to or greater than 75% of the Project's estimated value, completed in the State of California during the past five (5) years. For example - Project 1 contract cost of \$1,627,511 plus Project 2 contract cost of \$1,437,026 equals an average contract cost of \$1,532,269. Multiplying this value by 1.33 (allowing for a growth factor) reaches the sum of \$2,037,917. This figure is rounded to the nearest \$100,000 for a rating of \$2,000,000. The public works requirement is therefore satisfied for a District Project with an estimated value of \$2,666,666 or less.

Projects estimated at \$10,000,000 or greater require the successful completion of at least five (5) public works projects totaling at least \$100,000,000, of which two (2) of those projects are at least \$20,000,000 each, with a cumulative average actual cost of construction equal to or greater than 50% of the Project's estimated value, completed in the State of California in the past five (5) years. This process only obtains the Public Projects Rating and does not necessarily set the final rating.

INSURANCE

A minimum combined comprehensive single limit liability insurance of \$3,000,000 or an amount equal to or greater than the coverage as identified in the District's bid documents is required. A Certificate of Insurance must be issued to Corona-Norco Unified School District which states levels and dates of coverage. A Certificate of Workers Compensation Insurance must also be issued to Corona-Norco Unified School District.

BONDABILITY

The bonding surety is required to be an admitted surety in the State of California with an A-rating or better. The surety will be contacted to confirm willingness to bond to a particular limit. It is required that the contractor include a letter of bondability from the surety indicating its support levels.

In the event that the contractor is unable to obtain a letter of bondability in the time prescribed by the District, the contractor may be suspended from the qualified contractors' list and not be allowed to bid on District projects until proof of bondability is provided.

AFFIDAVIT

An affidavit as to the veracity, accuracy and completeness of the Prequalification Application being submitted must be completely executed by an authorized agent of the company. Use the form included on Page 17.

SUBMITTAL OF PREQUALIFICATION DOCUMENTS AND NOTIFICATION OF PREQUALIFICATION RESULT

Completed Prequalification Documents should be submitted thirty (30) days prior to the scheduled opening of bids, but in no event shall said documents be submitted less than ten (10) business days prior to the date fixed for the public opening of sealed bids. (*Public Contract Code Section 20111.6.*) Contractors will be notified of their prequalification rating as soon as possible via USPS mailing and/or email, but not later than five (5) business days prior to bid opening.

PROCEDURE FOR APPEAL OF PREQUALIFICATION RESULTS

In the event a prospective contractor desires to challenge its prequalification rating, the prospective contractor shall follow the appeal process described in this section.

A. Appeal Notice

Any prospective contractor shall submit, in writing, within five (5) working days from District's determination, a request for a written response from the District to explain the District's determination; Appeal Notice. In the event a prospective contractor fails to timely submit an Appeal Notice, the proposed prequalification rating shall be deemed adopted without further proceedings.

B. Disqualification Documents.

The District shall, within five (5) working days of receiving a prospective contractor's Appeal Notice, provide to the prospective contractor in writing, the basis for the disqualification and any supporting evidence that has been received or adduced as a result of an investigation by the District (collectively, the "Disqualification Documents").

C. Informal Hearing.

Should a prospective contractor continue to disagree with its prequalification rating after receiving the Disqualification Documents, the prospective contractor may request in writing within five (5) working days of receiving the Disqualification Documents that the District hold an informal hearing where the prospective contractor will be given the opportunity to rebut any evidence used as a basis for disqualification and to present evidence as to why the prospective contractor should be found qualified. If an informal hearing is timely requested, the District will give notice in writing of at least three (3) working days to the prospective contractor of the informal hearing to be held on the prospective contractor's prequalification rating. In the event a prospective contractor notifies the District that it waives its right to an informal hearing, or

fails to timely request an informal hearing, the proposed prequalification rating shall be deemed adopted without further proceedings.

D. Final Prequalification Rating.

Within three (3) working days after the conclusion of the informal hearing, the District will notify the prospective contractor of its determination on the contractor's appeal. The District's final prequalification rating will be deemed final and conclusive. The date for submission and opening of bids for a specific project will not be delayed or postponed to allow for completion of an appeal process.