



Public Works

CONTRACTOR
PREQUALIFICATION SCHEME
FOR
VARIOUS WORK CATEGORIES
UP TO \$500,000 IN VALUE
IN
THE NORTH COAST REGION
2011 - 2016
CRITERIA & CONDITIONS OF PREQUALIFICATION

ENQUIRIES

For information or advice regarding the NSW North Coast Region Contractor Prequalification Scheme, telephone the Contact Officer at North Coast Region via
(02) 6626 5628

CONTENTS

1.1	SCHEDULE OF DOCUMENT AMENDMENTS	1
1.2	SUMMARY OF APPLICATION PROCESS	1
1.3	SCHEME TIMELINE	1
2	INTRODUCTION.....	2
3	FINDING THE SCHEME DOCUMENT ONLINE	3
4	PREQUALIFICATION CRITERIA.....	3
5	INFORMATION TO BE SUBMITTED BY APPLICANTS.....	3
6	ASSESSMENT OF APPLICATION SUBMISSIONS & FURTHER DETAILS OF SCHEME CRITERIA.....	3
6.1	General	3
6.2	Acceptable Legal Entities	4
6.3	Associated and Subsidiary Companies and Joint Ventures	4
6.4	Managerial, Project and Site Management Resources	4
6.5	Past Performance and Client Satisfaction	4
6.6	Financial Information	4
6.7	Management Systems.....	5
6.7.1	Quality Management	5
6.7.2	Occupational Health & Safety (OHS)	5
6.7.3	Industrial Relations Management.....	5
6.7.4	Environmental Management	5
7	CONTRACTOR REQUIREMENTS.....	6
7.1	General Conditions of Contract	6
7.2	Contract Insurance Requirements.....	6
7.3	Management Systems.....	6
8	NSW CODE OF PRACTICE FOR PROCUREMENT	7
9	EXCHANGE OF INFORMATION BETWEEN GOVERNMENT AGENCIES.....	7
10	CONTRACTOR PERFORMANCE RECORDS.....	7
11	TENDERING PERFORMANCE.....	7
12	SANCTIONS	7
13	CHANGES TO PREQUALIFIED ORGANISATIONS	8
14	PUBLICITY.....	8
15	APPLICANT'S ACKNOWLEDGMENT	8
16	DISCLAIMER.....	8

Error! Bookmark not defined.

- APPENDIX A – CATEGORIES
- APPENDIX B – NORTH COAST REGION BOUNDARIES

1.1 SCHEDULE OF DOCUMENT AMENDMENTS

Revision Number	Date	Update Description
0.	12/9/2011	Document Original - first publication.
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		

1.2 SUMMARY OF APPLICATION PROCESS

THE ACTION REQUIRED BY ORGANISATIONS TO APPLY FOR AND MAINTAIN PREQUALIFICATION IS OUTLINED IN THE TABLE BELOW.

	Status	Application Process
1.	Existing Prequalified Organisation	<ul style="list-style-type: none"> Selected Prequalified Contractor Organisations will be invited to roll-over to the new 2011-2016 Scheme subject to their agreement to and compliance with the new Scheme conditions. Prequalified Contractor Organisations that have not been selected for roll-over will be advised and may re-apply as New Applicants.
2.	Existing Prequalified Organisation applying for new work categories or new financial ranges	Complete full Application Form to seek prequalification.
3.	New Applicant seeking prequalification	Complete full Application Form to seek prequalification.

1.3 SCHEME TIMELINE

Application and acceptance	Prior to and during the life of the Scheme
Scheme commences	21st November 2011
Scheme concludes	31st December 2016
Scheme extension	Subject to NSW Public Works requirements and at its sole discretion
Scheme content update	Subject to NSW Public Works requirements and at its sole discretion.

2 INTRODUCTION

NSW Public Works is a registered trading name of the NSW Department of Services & Finance (ABN 81 913 830 179).

Contractor organisations that wish to have the opportunity to tender to NSW Public Works for work within the North Coast Region for certain work categories, geographical areas and financial ranges generally must first become prequalified with NSW Public Works. Tenders will generally be called by invitation to a panel of prequalified organisations. Tenderers selected from the prequalified organisations in the relevant work category, geographical area and financial range.

The aim of prequalification is to identify contractor organisations able to demonstrate appropriate expertise, experience, OH&S management, quality assurance, environmental management and financial capacity and prequalify them for work categories that are consistent with their principal business activities.

Following prequalification, contractor organisations may be requested to tender for the provision of work and services on projects that are being managed by NSW Public Works. The prequalified organisations are then expected to accept the invitations and submit competitive tenders unless special and/or temporary circumstances exist that prevent this involvement.

The extent of work in a particular work category allocated by NSW Public Works to the prequalified organisations depends largely on the prevailing workloads of NSW Public Work's clients. Prequalification does not guarantee tender opportunities. The number of Applicants accepted for prequalification may be limited according to the anticipated category workloads.

Where NSW Public Works considers there are insufficient local prequalified organisations available in any work category or financial range for a particular project or contract, NSW Public Works may either include additional invited organisations that are not prequalified, but are known to the Department, or call open tenders from the market place for the work.

Applicants for prequalification should note that work and services are sometimes undertaken in institutions (such as schools, hospitals and prisons) that require special contract conditions in relation to:

- The observance of special security conditions;
- Criminal record checks on contractor/subcontractor employees; and
- Statements and other requirements in relation to child/vulnerable people protection.

Please note the following: -

- Those organisations whose principal business is to undertake "supply only, management or consultancy services" contracts will not be considered for prequalification.
- NSW Public Works may make the submitted information in an application available to other NSW Government agencies and local government organisations.
- The Scheme has been instigated to allow NSW Public Works to efficiently carry out its contracting activities and manage its procurement risks. The selection or otherwise of an Applicant for prequalification and Tenderers to tender is at NSW Public Work's sole discretion. NSW Public Works is not obliged to select any Applicant for prequalification or invite any particular prequalified organisation to tender.

NSW Public Works invites suitably qualified contractor organisations to apply for prequalification for the financial ranges and work types detailed in Appendix A.

3 FINDING THE SCHEME DOCUMENT ONLINE

This Scheme document is available on the Internet at:

<http://www.nswprocurement.com.au/Government-Procurement-Frameworks/Construction/Pre-qualification-Scheme/Contractors.aspx>

4 PREQUALIFICATION CRITERIA

To be considered for prequalification, Applicants will be required to demonstrate for each work type and financial range for which prequalification is sought:

- Acceptable legal entity and required financial capacity;
- The work type is part of the Applicant's principal business activity (project management or consultancy is not an appropriate business activity);
- Appropriate current licences for organisation and employees;
- A minimum of two years trading in that work type, except trustee companies, where trustee companies that wish to be prequalified for financial ranges greater than \$100,000, must have been actively trading for more than 5 years in that work category;
- Agreement to comply with the NSW Government Code of Practice for Procurement.
- Appropriate managerial, project and site management resources;
- Appropriate labour, plant and equipment;
- Satisfactory recent performance and Client satisfaction on contracts of a similar nature and value to the work category for which prequalification is sought;
- Capacity and experience in the good management of occupational health and safety;
- A good track record in quality, industrial relations and environmental management practices; and
- Appropriate Quality, OH&S, and Environmental management systems in accordance with NSW Government Guidelines which are in detail below at points 6.7.1 to 6.7.4.

5 INFORMATION TO BE SUBMITTED BY APPLICANTS

The Applicant is to complete the Application Form (and provide the information and documents requested) at Appendix C in this document.

6 ASSESSMENT OF APPLICATION SUBMISSIONS & FURTHER DETAILS OF SCHEME CRITERIA

6.1 General

NSW Public Works will assess the Applicant's eligibility for prequalification utilising the information provided by the Applicant (in their application submission), referee interviews, any Departmental records of the organisation's past performance and information from other sources as appropriate.

Applicants will be notified of the result of the assessment of their applications (dependant on the Dept's internal workloads – assessment may take 4 to 8 weeks). Where Applicants are unsuccessful, a reason will be provided. Further correspondence will not be entered into. Applicants may re-apply after 3 months if their circumstances change or the reason given for non registration has been adequately addressed.

Where an organisation is prequalified with NSW Public Works, a further assessment of the organisation's prequalification status may be undertaken at any time, in particular when tenders for particular work are being evaluated, or the organisation's performance under a contract is assessed.

NSW Public Works reserves the right to cap the number of pre qualified Contractors for each Work Type, Financial Range and Geographic Zone.

6.2 *Acceptable Legal Entities*

NSW Public Works only contracts with recognised and acceptable legal entities having appropriate financial assets. In a tender process, tenders submitted by an unincorporated business such as a sole trader, partnership or business name must identify the legal entity, which proposes to enter into the contract and may be required to give security undertakings under any contracts. NSW Public Works does not contract with companies under any form of external administration.

NSW Public Works will only prequalify a trustee company for contract work valued at less than \$500,000. In addition, for contracts valued at more than \$100,000, NSW Public Works may require security in the form of an unconditional undertaking from an approved financial institution for an amount of up to 20% of the initial contract price, and an undertaking that the Contractor will ensure, for the duration of the contract, the total value of the trust beneficiaries' loans to the trustee is always greater than the total value of trust beneficiaries' loans from the trustee.

6.3 *Associated and Subsidiary Companies and Joint Ventures*

Prequalification of an Applicant does not extend to associated or subsidiary entities owned or controlled by the Applicant or joint ventures to which the Applicant is a party. Any such entity must apply for prequalification in its own right.

NSW Public Works will not prequalify associated or subsidiary entities in the same work category and financial range as the controlling entity. NSW Public Works will not prequalify a joint venture in the same work category and financial range as any of the parties to the joint venture.

6.4 *Managerial, Project and Site Management Resources*

The management structure of the Applicant is to be demonstrated in the application. The management team is to be equipped with suitable qualifications and skills to manage the organisation, for the particular category nominated.

Applicants must demonstrate adequate skilled personnel, plant and equipment within the organisation to ensure that sufficient resources are available to deliver the work for which prequalification is sought.

Applicants that have non-standard Workers Compensation Insurance arrangements, including where workers are employed as body hire, from labour hire companies or as individual subcontractors may not be considered.

6.5 *Past Performance and Client Satisfaction*

The performance of Applicants will be assessed by a interview with the referees nominated in the application, review of Department's records of any past dealing with the applicant, any other external referees reports submitted with the application and any other information that NSW Public Works considers appropriate.

6.6 *Financial Information*

The financial assessment of Applicants will be based on the financial data and reports submitted with the application, and any additional data considered necessary by the person or external service provider carrying out the assessment.

The main criteria considered in financial assessment of organisations are:

- Net Worth (*total assets, excluding any assets of company directors, less total liabilities less intangible assets*);
- Current Ratio (*ratio of current assets to current liabilities*); and
- Working Capital (*current assets less current liabilities*).

Other criteria may also be considered, particularly for applications for the financial range above \$100,000.

NSW Public Works considers organisations with the following financial capacity, and no other significant detrimental financial characteristics to be financially satisfactory in respect of prequalification: -

- Net Worth exceeds 5% of the upper limit of the financial range sought.
- Current Ratio equal to or exceeds 1.
- Working Capital exceeds 10% of the upper limit of the financial range sought.

Deviations below these indicative criteria will not necessarily prevent the Department from considering any application for prequalification.

Applicants should seek opinion from their Accountant or Financial Experts prior to submitting an application as to if their Financial Statements meet the above criteria.

By lodging an application for prequalification, the Applicant agrees that NSW Public Works may, at its sole discretion, engage private sector consultants to carry out any further financial assessment of applications necessary.

Note a prequalified organisation's financial status is re-assessed prior to the award of future contracts valued at over \$100,000.

6.7 *Management Systems*

Applicants must demonstrate in their application submissions, by way of sample documents, their experience and understanding in implementing OHS and Quality Management systems, and performance with managing the Environment and Industrial Relations.

The NSW Government Guidelines for management systems in each of these areas and other relevant information are available on the Internet at:

<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Reference-material/Procurement-Guideline-Documents.aspx>

6.7.1 *Quality Management*

For prequalification in financial ranges between \$100,000 and \$500,000, Applicants will be required to demonstrate, by example, the capability to prepare and implement Inspection and Test Plans (ITPs). A Guideline for the Preparation of Inspection and Test Plans is available at the above mentioned website.

6.7.2 *Occupational Health & Safety (OHS)*

For prequalification in all financial ranges, Applicants will be required to demonstrate, by example, the capability to prepare and implement Safety Management Plans complying with the current NSW Government OHS Management Systems Guidelines.

Applicants are also required to declare (in their application) any NSW Workcover Prohibition, Improvement Notices, Fines or Convictions incurred in the 24 months preceding the date of application.

6.7.3 *Industrial Relations Management*

For prequalification in all financial ranges, Applicants will be required to demonstrate compliance with appropriate industrial relations management requirements. Applicants must have their employees insured in the nominated work category.

Or in the case of Sole Traders and Partnerships have current Personal Accident Insurance cover.

6.7.4 *Environmental Management*

For prequalification in all financial ranges, Applicants will be required to demonstrate compliance with appropriate environmental management requirements, and declare (in their application) any environmental convictions recorded in the 24 months preceding the date of application .

7 CONTRACTOR REQUIREMENTS

7.1 *General Conditions of Contract*

Depending on the nature and complexity of the work, the Conditions of Contract used for work tendered will generally be based on one of the following: -

- Mini Minor Works conditions
- Minor Works 21 (MW21) conditions
- GC21 General Conditions of Contract and related conditions

The typical conditions used for these contracts are available on the Internet at: <http://www.nswprocurement.com.au/Procurement-System-for-Construction/Standard-form-documents.aspx>.

7.2 *Contract Insurance Requirements*

The tender documents provided with the request for tender will detail the insurances required and it is the Tenderer's responsibility to check the insurance requirements for each contract.

Typically for work tendered using the Prequalification Scheme a policy of Insurance for the Works and for Public Liability arranged by the Principal under the contract will automatically come into effect when the contract is awarded. The policy is available on the Internet at: <http://www.nswprocurement.com.au/Procurement-System-for-Construction/Contract-management/Insurance-Policies.aspx>

Marine Liability

Special requirements relating to Marine Insurance will be detailed in the tender documents where particular boat use is required.

Insurance of Employees

Tenderers and Contractors are required to hold insurance against liability for death of or injury to persons employed by the Contractor in accordance with the applicable legislation.

7.3 *Management Systems*

Subject to contract requirements, Contractors may be required to develop management plans and/or related documents in the following areas:

Quality Management;
Occupational Health & Safety Management;
Environmental Management;
Industrial Relations Management;
Aboriginal Participation in Construction;
Training Management

in accordance with relevant NSW Government Guidelines.

The NSW Government Guidelines for management systems in each of these areas are available on the Internet at:

<http://www.nswprocurement.com.au/Procurement-System-for-Construction/Reference-material/Procurement-Guideline-Documents.aspx>

8 NSW CODE OF PRACTICE FOR PROCUREMENT

The NSW Government has in place a Code of Practice for Procurement. The Code addresses the standards of behaviour that the NSW Government requires from all Tenderers and Contractors. A copy of the Code is available on the Internet at:

www.nswprocurement.com.au/Government-Procurement-Frameworks/Overarching-Procurement-Environment.aspx

Failure by a Tenderer or Contractor to comply with the Code will be taken into account by NSW Government agencies when considering offering them future tendering opportunities.

9 EXCHANGE OF INFORMATION BETWEEN GOVERNMENT AGENCIES

By submitting an application for prequalification the Applicant authorises NSW Public Works to make available to other NSW Government agencies information, including but not limited to any information provided by the Applicant to NSW Public Works and information relating to the Applicant's performance or financial position.

The Applicant acknowledges that any information about the Applicant, from any source, including but not limited to substantiated reports of unsatisfactory performance may be taken into account by NSW Public Works and other NSW Government agencies in considering whether to offer the organisation opportunities for NSW Government work. This shall include but not be limited to the assessment of suitability for prequalification, tender lists/panels or the award of a contract.

NSW Public Works regards the provision of information about the Applicant to any NSW Government agency as privileged under Section 22 of the Defamation Act 1974. NSW Public Works and the State of NSW will reject claims in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the Applicant arising out of the communication.

10 CONTRACTOR PERFORMANCE RECORDS

The Prequalification Scheme requires the performance of Contractors to be regularly monitored. Records will be kept of each Contractor's performance and will be taken into account in considering the Contractor's selection for tendering opportunities and where any sanctions of the Contractor are considered. Records held by other Government agencies and by others may also be considered.

11 TENDERING PERFORMANCE

NSW Public Works will monitor the tendering performance of prequalified organisations, and they may be removed from the prequalification lists if their tendering performance is not satisfactory.

12 SANCTIONS

Where NSW Public Works considers a Contractor or prequalified organisation:

- breaches any term of the Conditions of Prequalification (this document);
- repeatedly declines invitations to tender;
- fails to respond to invitations to tender within a reasonable time;
- fails to submit a tender, after accepting an invitation, thus denying another organisation a tendering opportunity.
- repeatedly submits uncompetitive tenders;

- performs work under any contract in an unsatisfactory or unsafe manner;
- receives an adverse contractor performance report; or
- experiences an adverse change in it's capacity to perform,

NSW Public Works may, at its absolute discretion, restrict, downgrade or remove the prequalified organisation from the Prequalification Scheme.

Before action is taken to downgrade or remove the organisation from the Prequalification Scheme, the organisation will be advised of the matters prompting the proposed action, and will be given an opportunity to show cause why the proposed action should not be taken.

13 CHANGES TO PREQUALIFIED ORGANISATIONS

Prequalified organisations are required to advise NSW Public Works immediately of any substantial change in their financial , technical capacity , adverse change in it's capacity to perform , change in their ownership , change in their address or change in their contact details.

14 PUBLICITY

Prequalified organisations must not advertise, promote or publish in any form their prequalification status without the written consent of NSW Public Works.

15 APPLICANT'S ACKNOWLEDGMENT

In applying for prequalification, the Applicant is deemed to have accepted all the conditions detailed in this document.

16 DISCLAIMER

The decision to accept or reject with or without conditions, any application for prequalification is at the absolute discretion of NSW Public Works. NSW Public Works will not be held liable for any costs or damages incurred in the exercise of such discretion or the discretion to restrict, downgrade or remove a prequalified organisation from the prequalification lists.

APPENDIX A - CATEGORIES

Work Types and Financial Ranges available for Prequalification in the North Coast are indicated below with a “Y”

WORK CATEGORY	FINANCIAL RANGES AVAILABLE		
	\$0 to \$100k	\$100k to \$250k	\$250k to \$500k
<p>400 - Building Works (Multi-trade) Includes maintenance of buildings, construction of new work, works on heritage buildings and interior fit out where the contractor will be a head contractor engaging and managing all trades</p>	Y	Y	Y
<p>405 - Building Mechanical (Head Contractor engaging & managing All Trades). Including some installation of Department supplied Air Conditioning (AC) units, the supply & installation of AC units and maintenance of units as required</p>	Y	Y	Y
<p>406 - Building Electrical Head Contractor engaging & managing All Trades). Includes electrical installations and upgrades mainly in NSW Govt schools, occasionally hospitals, offices, Council sewerage plants, and possibly correctional centres. Often requires work above AS/NZS 3000 standard eg to Dept of Education & Communities Standards.</p>	Y	Y	Y
<p>429 - Roof Sheetting & Roof Plumbing (Head Contractor engaging & managing All Trades) Supply, installation and making good of new and existing roofs, awnings and covered walkways, including roof sheetting, flashings, guttering, down pipes, associated materials and fixings.</p>	Y	Y	Y
<p>508 - Civil Works (Head Contractor engaging & managing All Trades). Including car parking, playgrounds, pathways, minor civil modifications to water & sewerage reticulation works and concrete / structural steel / wharf works.</p>	Y	Y	Y

APPENDIX B – North Coast Region

2 DESCRIPTION OF NORTH COAST GEOGRAPHICAL ZONES

The North Coast is divided into four (4) Zones.

Zone A. Northern Area – Tweed Heads to Lismore.

Local Government areas within the zone;

Ballina Shire Council.

Kyogle Shire Council.

Tweed City Council.

Byron Shire Council.

Lismore City Council.

Richmond Valley Council.

Zone B. Clarence Area – Maclean to Grafton.

Local Government areas within the zone;

Clarence Valley Council.

Zone C. Central Area – Woolgoolga to Macksville.

Local Government areas within the zone;

Bellingen Shire Council.

Nambucca Shire Council.

Coffs Harbour City Council.

Zone D. Southern Area – Kempsey to Port Macquarie.

Local Government areas within the zone;

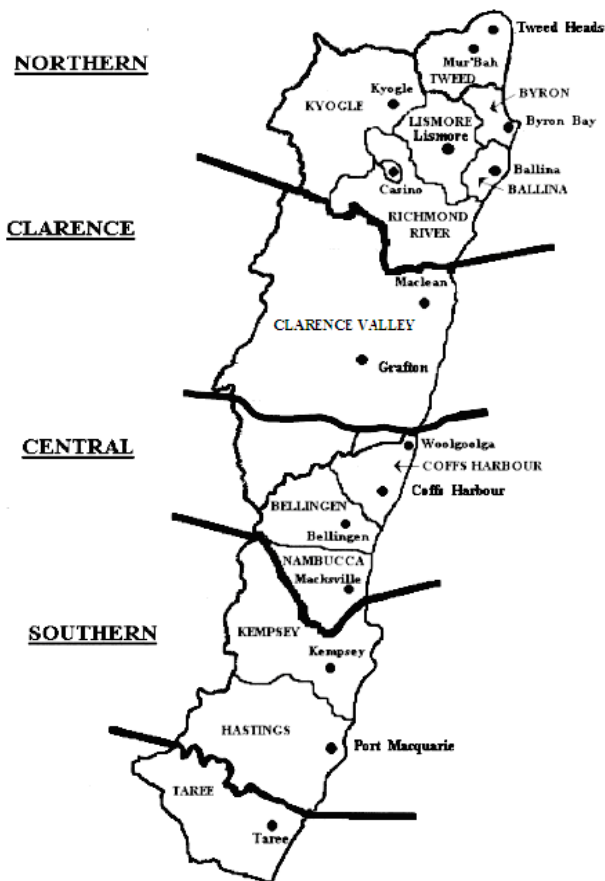
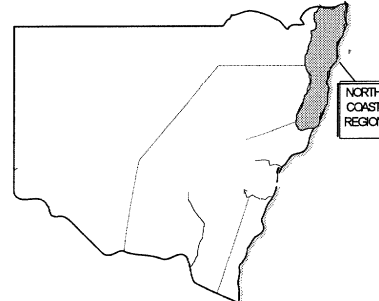
Port Macquarie-Hastings Council Kempsey Shire Council.

.

This map shows the North Coast Region boundaries:

NSW Public Works
North Coast Region

NORTHERN
CLARENCE
CENTRAL and
SOUTHERN Areas.



AREAS

NORTHERN – Tweed Heads to Lismore

CLARENCE – Maclean to Grafton

CENTRAL – Woolgoolga to Macksville

SOUTHERN – Kempsey to Port Macquarie

Note Contractors seeking registration in the Taree or Great Lakes area should contact NSW Public Work's Hunter New England Region on phone 02 49084999.