

## 1. REQUIRED PREQUALIFICATION OF BIDDERS

The California Public Contract Code has directed the Trustees of The California State University (referred to as Trustees) as follows:

10760. The Trustees may require, and on contracts the estimated cost of which exceeds the value of a minor capital outlay project for which, pursuant to the first paragraph of Section 10108, the services of the Department of General Services are not required and a state agency or department is authorized to carry out its own project, the Trustees shall require, from prospective bidders, answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of the prospective bidder's financial ability and experience in performing public works projects. When completed, the bidder shall verify under oath the questionnaire and financial statement in the manner in which pleadings in civil actions are verified.

10761. The Trustees shall adopt and apply a uniform system of rating bidders, utilizing the standard questionnaires and financial statements, in respect to the size of the contracts upon which each bidder is qualified to bid.

10763. The on-line questionnaires, questionnaire reference responses, and financial statements are not public records and are not open to public inspection.

The law further provides that the Trustees furnish to each bidder a standard proposal form, which, when filled out and executed, may be submitted as the bid. Bids not presented on forms so furnished shall be disregarded. The Trustees shall not furnish proposal forms to any bidder who is required to submit and has not submitted the on-line application for prequalification and been prequalified for at least one day prior to the date fixed for publicly opening sealed bids.

## 2. ONLINE PREQUALIFICATION APPLICATION

Prospective bidders/contractors interested in bidding on The California State University construction projects, shall complete the online prequalification application. Note: You can reach the Prequalification Administrator by telephone, (562) 951-4114, or by email at [cocm.prequal@calstate.edu](mailto:cocm.prequal@calstate.edu)

The online application is available at <https://www.planetbids.com/portal/portal.cfm?CompanyID=15331>

## 3. RENEWAL

Renewal is required each year. By the date of expiration, a prospective bidder/contractor must provide an updated prequalification questionnaire with a new financial statement. In the event a prospective bidder/contractor's updated audited/reviewed financial is not available by the date of expiration, the contractor may request a one-month extension to avoid a lapse in prequalification. The request must be on company letterhead, stating the reason for the request and submitted to [cocm.prequal@calstate.edu](mailto:cocm.prequal@calstate.edu).

## 4. TECHNICAL/SUPPLEMENTAL PREQUALIFICATION

In addition to these prequalification requirements, certain projects may require an additional special and/or technical prequalification. Campuses will identify this requirement in the project documents and advertising.

## 5. JOINT VENTURE

If two or more prospective bidders/contractors wish to bid a project as a joint venture, the following apply:

- a. All firms involved in the joint venture must separately submit an online application for prequalification not later than 10 business days prior to bid opening, and register with the Department of Industrial Relations to bid on public works projects.
- b. The firms must all sign and submit one Affidavit of Joint Venture form five days prior to bid opening, and each member of the joint venture must be prequalified one day prior to bid opening. Submit the affidavit of joint venture form with all members' signatures to the office that distributes the project bid documents.
- c. Only one joint venture member's prequalification rating, or the combination of all joint venture members' prequalification ratings, shall meet the project's advertised cost.
- d. The joint venture must have the required license in the name of the joint venture at the time of award.
- e. If attendance at the project's prebid job walk is mandatory, only one of the firms in the joint venture needs to attend.

## 6. PERIOD OF PREQUALIFICATION

A prospective bidder/contractor's prequalification statement is valid until the financial statement on file is a maximum of 15 months old. The Trustees reserve the right to reject statements in which the financial information is more than six months old.

## 7. CORRECT AFFIDAVIT

Upon completion of the online application for the prospective bidder/contractor's firm, the "Certify" box must be checked. In doing so, the prospective bidder/contractor certifies and declares under penalty of perjury under California State Laws that the information submitted is true and correct.

## 8. ACCOUNTANT'S CERTIFICATE

All prospective bidders/contractors shall submit a reviewed or audited financial statement in its entirety, certified by a licensed certified public accountant or public accountant. Note: a financial statement that is a compilation, draft, internal P&L statement, or tax returns are not accepted in place of the required financial statement and do not meet the Trustees' financial standard.

## 9. PREQUALIFICATION FORMULAE

*Maximum prequalification ratings issued by the Trustees are based ten times working capital, **subject to adjustment upon consideration of experience, bonding, and performance factors.*** For prequalification purposes, working capital is defined as current assets less current liabilities and may be augmented by the prospective bidder/contractor's submission of a Line of Credit form.

## 10. LINE OF CREDIT

A Line of Credit will not be utilized at value higher than working capital. Particular attention is called to the fact the certificate of the certified public accountant or public accountant contained in the financial statement must express an unqualified opinion or a qualified opinion that does not negate an opinion on the statements as a whole in order to receive a "ten times working capital" qualification. Note: statements with a negative working capital amount may not be augmented. Reference checks on listed qualifying project experience will be done as described below.

This attachment is optional and is only used to augment working capital, if needed. The bank may issue the Line of Credit Letter on their own letterhead if they prefer, however, it must conform to substantially the same provisions found on our form. No deviations will be considered.

## 11. REVIEW AND PREQUALIFICATION

The Prequalification Coordinator shall review the online prequalification questionnaire the financial statement, and the prospective bidder/contractor's performance on construction projects performed for The California State University, along with other public works projects and private sector construction projects over \$600,000.

The Prequalification Coordinator will select a minimum of three from prospective bidder/contractor's projects randomly, and reference checks secured. The reference contacts will be asked to rate your firm's performance in several areas of their contract with a rating of 1-5, 5 is best. Of three project references, an average rating of at least '3' is required for prequalification. An overall rating of '2' or more, but less than '3' on any single project could result in a lower prequalification rating, and in this case, the Prequalification Coordinator will check at least two additional references. Evaluations of non-responsible performance or reports of false claims (or an overall rating of less than '2') will result in failure to meet the standard for prequalification.

The Prequalification Coordinator shall then determine the size of contracts upon which the prospective bidder/contractor is qualified to bid. A prospective bidder/contractor prequalified by the Prequalification Coordinator in Capital Planning, Design and Construction pursuant to this procedure may bid on California State University projects within the limits and time period specified in the prequalification letter.

## 12. REQUEST FOR INCREASE

If the prospective bidder/contractor needs a higher prequalification limit, request the increase in a letter, and attach project experience, a letter from bonding company, and any other evidence that would support the increase in rating. Email the request to: [cocm.prequal@calstate.edu](mailto:cocm.prequal@calstate.edu), Attn. Prequalification Administrator. The request for an increase is to be put on company letterhead, signed by a principal of the firm.

The letter is to include the reason for the increase requests, such as interest in bidding on a project where the engineers estimate exceeds the level of your prequalification and should include:

- Name of Project & Bid Date
- Campus Name
- Engineer's Estimate
- Any current CSU contract and receivables remaining on that contract

## 13. REVISION, DISQUALIFICATION OR TERMINATION OF PREQUALIFICATION

A contractor that has been prequalified may be disqualified or may have the prequalification limited, suspended, deferred, or rescinded by the by the Department of Capital Planning, Design and Construction prior to expiration of the time period specified in the prequalification, after provision of notice of the proposed action to the contractor and an opportunity for a hearing.

The hearing so provided shall be an informal process conducted by an individual appointed as the Hearing Officer by The California State University's Executive Vice Chancellor/Chief Financial Officer (or delegate). At the hearing the proposed action and reasons therefor shall be presented and an opportunity given the contractor to ask questions, submit information, and present reasons in opposition to the proposed action. A decision concerning prequalification of the contractor shall be rendered by the Hearing Officer, and shall be mailed to the contractor within 10 days of the conclusion of the hearing.