



## Legislation Text

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### Resolution Authorizing the Use of a Prequalification Policy for Bidders on Construction Contracts

Department: Engineering & Inspections  
Council District: All

Public Hearing: N/A  
Advertising Date/By: N/A

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#### **PURPOSE:**

The Engineering & Inspections Department has determined that certain construction projects will be more efficiently constructed if all interested bidders are required to be prequalified for the work. A policy to be uniformly applied to all prequalified contracts has been developed. City Council authorization of the policy is requested.

#### **BACKGROUND:**

Prequalification is used to identify contractors that have the management skills, financial resources, and construction experience that will be required on a construction contract. Projects that benefit from prequalification are very large projects, those with very specialized skills, or those with severe schedule constraints. Prequalification is particularly relevant in the Construction Manager at Risk (CMAR) delivery systems as the CMAR must rely on proven performance and pre-qualify its first-tier sub-contractors to deliver the project at the Guaranteed Maximum Price (GMP). The prequalification process can protect the City, the contractor and the public from unnecessary expenses and construction delays. The City has used prequalification in the past and would like to continue the use of prequalification in the future.

During the latest legislative session, G.S. 143-135.8 and G.S. 143-128.1 were revised to establish requirements for local governments to follow when using prequalification to ensure transparency, objectivity, and fairness to all potential bidders. The revisions to G.S. 143-135.8 and G.S. 143-128.1 now require that the City Council adopt an objective city-wide prequalification policy applicable to all construction or repair work prior to advertising the contract for which the City intends to prequalify bidders.

The proposed City of Greensboro Construction Prequalification Policy was prepared by staff from the Engineering & Inspections (both the Engineering and the Facilities Divisions), Water Resources and Legal Departments to comply with the revised G.S. 143-135.8 and G.S. 143-128.1.

Pursuant to the City of Greensboro Construction Prequalification Policy, all licensed and legally qualified contractors will be invited to submit their qualifications for a project, but only those that can demonstrate that they actually have the specified qualifications will be allowed to bid on it. The City of Greensboro Construction Prequalification Policy also allows any contractor to appeal a determination that their qualifications are insufficient to bid on the project.

MWBE policy requirements will not be changed or limited on contracts with prequalified contractors, nor will goals or performance standards be affected. Demonstrated MWBE participation can be requested, submitted and reviewed as a portion of the established prequalification scoring criteria.

**BUDGET IMPACT:**

There are no budget impacts.

**RECOMMENDATION / ACTION REQUESTED:**

The Engineering & Inspections Department recommends that the City Council approve and authorize the prequalification policy for bidders on construction contracts.