

ACT GOVERNMENT PREQUALIFICATION SCHEME FOR CONSTRUCTION INDUSTRY CONTRACTORS



POLICY AND GUIDELINES

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1. Background and Interpretation

- 1.1 The ACT Government has operated a Prequalification Scheme for construction industry suppliers since 1993.
- 1.2 The current Scheme deals with Prequalification for various Categories and Financial Thresholds. The Scheme extends beyond the initial Application, assessment and recognition of a contractor's awarded Prequalification status. The Scheme includes the ongoing management of contractor performance and continuous recognition of Prequalification level throughout the period of a contractor's Prequalification and registration.
- 1.3 This document sets out the policy in respect of the Scheme and also provides Guidelines for Applicants.

Objectives of Scheme

- 1.4 The Scheme's main objectives are to:
 - i. Implement good risk management practices to minimise the risk to both the Territory and subcontractors associated with a company's poor performance and/or financial failure;
 - ii. Promote environmentally sustainable practices in the construction industry; and
 - iii. Encourage efficiencies in tendering processes to make it easier for firms to do business with the Territory.
- 1.5 Prequalification is not a one-off assessment. It involves a continuous process involving review of a contractor's capabilities as follows:
 - i. An initial Application for Prequalification/renewal of Prequalification, which is assessed against identified criteria;
 - ii. Possible financial and/or technical checks as part of a Procurement Process, before a contract is awarded; and
 - iii. Assessment of the contractor's performance during and at the completion of contracts, and at other times when a review may be warranted.
- 1.6 Prequalification is also the primary mechanism for enforcing the Code by the ACT Government.

Maintenance of Prequalification

- 1.7 Prequalification may be a condition of participating in a Procurement Process conducted by the ACT Government. If so a successful contractor will be required to maintain its Prequalification status, at the same or higher level, during the term of any resulting contract.

National Prequalification Schemes

1.8 The Scheme is supplementary to the National Prequalification Scheme – Civil Road & Bridge (NPS – Civil) and National Prequalification Scheme – Non Residential over \$50m (NPS - \$50 Million Building Works) which both took effect on 1 January 2011. Contractors seeking to perform work covered by either of NPS Schemes will need to be prequalified under the relevant Scheme in order to participate in a Procurement Process conducted by the Territory.

Definitions

1.9 The following definitions apply in these Guidelines:

ACT Government or Territory means:

- i. The Australian Capital Territory being the body politic established by section 7 of the *Australian Capital Territory (Self-Government) Act 1988* (Cth); and
- ii. Any Territory entity under the *Auditor-General Act 1996* (ACT) excluding: the University of Canberra; a Territory-owned corporation or another entity established under the *Corporations Act 2001* (Cth).

Applicant - a contractor seeking Prequalification under the Scheme.

Applicant's Declaration – a declaration in such form as required by the ACT Government from time to time, to be completed by Applicants (or, where applicable, their authorised representatives), which will include matters referable to work health and safety performance, and which must be provided as part of and with their Application.

Application – an application for Prequalification under the Scheme by an Applicant.

Application Form – the approved form or forms, as advised by the ACT Government from time to time, which must be lodged by Applicants for Prequalification.

Business day - any day other than a Saturday, Sunday or public holiday in the Australian Capital Territory.

Category or Categories - the various categories of work to which the Scheme applies as set under the columns headed Field Of Work Type/ Field Of Work Type Code in Appendix 2.

Code – the *National Code of Practice for the Construction Industry 1997* issued by the Australasian Procurement and Construction Council Inc.

Guidelines – means these guidelines which set out the conditions relevant to the

Scheme.

Portfolio Performance and Procurement – the Territory agency being part of the Infrastructure Canberra.

LSLA – ACT Long Service Leave Authority which administers the portable long service leave scheme for construction under ACT Government legislation.

NPS – Civil – the National Prequalification System for Civil (Road and Bridge) Construction Contracts.

NPS - \$50 Million Building Works – the National Prequalification System for Non Residential Building over \$50m.

Prequalification - Prequalification under the Scheme.

Procurement Process – a request for tender, request for proposal, expression of interest, request for quotation or any other request for offer, issued by the Territory.

Prequalification Registrar – the person holding the position of Senior Director Contracts & Prequalification Unit in Infrastructure Delivery Partners Group ACT (or such other employee of the Territory, nominated from time to time).

Prequalification Unit – that part of Portfolio Performance and Procurement responsible for providing administrative support in respect of the Scheme.

Qualified Architect / Professional Architect / Landscape Architect -

- is an Architect who has a 4 year degree from a university that is accredited under the Washington Accord, and
- a person registered with the ACT Architects Board or with the Australian Institute of Landscape Architects (AILA)

Qualified Engineer / Professional Engineer -

- is an engineer who has a 4 year degree from a university that is accredited under the Washington Accord, and
- a person registered in a relevant area of practice on the National Engineering Register.

Sanction - the downgrading, suspension or cancellation of a contractor's Prequalification.

Scheme – the ACT Government Prequalification Scheme for Construction Industry Contractors (as set out in the Guidelines).

Secure Local Jobs Code Certificate - Businesses tendering for work from 15 January 2019 will need to meet the requirements of the Secure Local Jobs Code and have a Secure Local Jobs Code Certificate at the time of tender.

For more information visit:

<https://www.procurement.act.gov.au/securelocaljobs/business> .

Show Cause Notice – a notice issued by the Territory to a prequalified contractor requiring the contractor to show cause why its Prequalification status not be cancelled, downgraded or suspended.

Threshold (s) - refers to the various financial thresholds referable to the Categories as set out in the Table in Appendix 2.

WHS Active Certification Policy - means the Territory's WHS Active Certification Policy, as amended from time to time.

Interpretation

1.10 The words "including" and "includes", and any variants of those words, will be read as if followed by the words "without limitation".

2. Who may apply for Prequalification

An Application must be lodged by a legal entity

2.1 Applications may only be received from legal entities. A business or trading name is not a legal entity unless it is also the name of the registered company or sole trader. Applicants should ensure the Application identifies a legal entity as the Applicant.

Ineligible Applicants

2.2 The following are ineligible for Prequalification:

- i Trusts and trustees; and
- ii Natural persons.

Companies

2.3 Companies that possess relevant experience in specified fields may be eligible to apply for Prequalification for particular Categories.

Newly formed companies

2.4 Newly-formed companies are unlikely to be in a position to provide details of any significant past experience or financial capacity. As such Applicants with a trading history of less than three years will generally not be accepted.

Incorporated joint ventures

2.5 An incorporated joint venture (JV) must meet the criteria for Prequalification in its own right and provide a copy of the joint venture agreement. Where a

newly-formed JV may have difficulty satisfying some of the criteria referable to financial capacity, the same principles regarding newly-formed companies may apply.

Unincorporated joint ventures

- 2.6 An unincorporated joint venture may comprise separate legal entities coming together and combining strengths for the purpose of undertaking specific projects. An unincorporated joint venture is not an entity in its own right and operates under a contractual arrangement between the joint venture parties. Both parties to the Joint Venture need to be Prequalified in their own right. The unincorporated joint venture arrangement will need to be assessed in addition to other criteria. Applications will need to include a copy of the joint venture agreement and the structure of the joint venture for consideration.

3. Recognition of other Jurisdictions' schemes

- 3.1 Whilst it is noted that all Australian jurisdictions have variations in the practical application of their Prequalification schemes, all Prequalification schemes have been set up to address substantially the same principles and objectives. In the interest of reducing administrative costs to industry and duplication of effort within government the Territory may, subject to any conditions set out in these Guidelines, recognise other States' & Territory Prequalification schemes.
- 3.2 The possession of a Prequalification certification in another Australian jurisdiction will not, of itself, be sufficient to be prequalified by the Territory in the Australian Capital Territory. Applicants seeking to rely on their interstate Prequalification will be asked to provide their Application and all the supporting information they supplied to that other jurisdiction with their Application for Prequalification together with their Prequalification certificate.
- 3.3 Portfolio Performance and Procurement will review the information supplied to determine which Category and Threshold may be appropriate for the Applicant. Infrastructure Delivery Partners Group will also conduct the

necessary financial and other checks. Portfolio Performance and Procurement may seek additional information to enable consideration of the Applicant's request for Prequalification through recognition of their status in another Australian jurisdiction.

4. The Prequalification Process

- 4.1 Prequalification under the Scheme to a nominated Category and relative financial threshold may be a precondition to a contractor participating in a Procurement Process conducted by the Territory. Where this is the position contractors may only participate in the Procurement Process if they are prequalified in the required Category and at, or above, the required financial threshold prior to tender closing.

Application

- 4.2 Applicants seeking Prequalification (which includes a renewal or upgrade of Prequalification) must complete an Application Form and submit it and any supporting information to Portfolio Performance and Procurement for assessment. All Applicants must provide an Applicant's Declaration with their Application. The Applicant must ensure that all particulars in the Application and supporting documentation are true and correct. Applicants may contact Portfolio Performance and Procurement to obtain information about the Scheme and Application Forms, or alternatively download the documents from:

<https://www.act.gov.au/infrastructurecanberra/supplying-to-government/prequalification/apply-for-act-prequalification>

In the Application Form the Applicant must identify the Category or Categories for which it is applying for Prequalification. Should the Application be approved, the Territory will determine the financial threshold for the relevant Category for which the Applicant will be prequalified. In applying for Prequalification the Applicant is deemed to have accepted the conditions of Prequalification set out in the Scheme and acknowledges and accepts they may be varied from time to time.

NOTE: Electronic Submission of Application.

Electronic Submission of all applications is mandatory.

When preparing the application, please separately save each document as a pdf file.

When saving pdf files please save with a suitably descriptive title.
Eg "Prof Indem Ins or Pub Liab Ins"

Initial Review

- 4.3 The Application Form and supporting information is initially reviewed to ensure that all the information is provided. Where necessary clarification may be sought from the Applicant.

Assessment

- 4.4 The Application is then assessed against the various Prequalification criteria. An independent assessment of the financial capacity criterion of the Applicant is performed. This assessment incorporates a review of the financial information provided by the Applicant, based upon the financial statements for the last three (3) financial years and a review of relevant company and industry databases.

Prequalification Criteria - Technical capacity

- 4.5 The technical capacity of the Applicant will be assessed in considering its Application.

Technical capacity – Experience and capability

- 4.6 Technical capacity will be assessed by considering recent previous experience and demonstrated capability of the Applicant relevant to the Category for which the Applicant is seeking Prequalification. The assessment of technical capacity may also contribute to the financial threshold for which Prequalification may be granted.
- 4.7 As part of satisfying the technical capacity criterion the Applicant must provide information requested on areas of work that include (but may not be limited to) the following: expertise or specialisation, past experience, staffing levels, management and administration capabilities including the use of sub-contractors and consultants, and plant and equipment resources.

Technical capacity – Qualifications and licences

- 4.8 Evidence of appropriate technical qualifications including current licences to practice in the Australian Capital Territory must accompany the Application. The Applicant must also provide CVs for all personnel proposed to be involved in delivery of the services or works. Details of the contractor qualification requirements are set out in Appendix 3. The Applicant must provide information in its Application to satisfy those requirements.
- 4.9 At the Procurement Process stage a prequalified contractor will be required to nominate specified personnel or a team, their qualifications and

experience proposed for the particular job, again with the inclusion of CVs for all specified personnel nominated by the prequalified contractor.

Technical capacity - business management systems

4.10 The Territory may engage an external auditor(s) to conduct a review of one or more business management systems of the Applicant and provide the Territory with a report to inform the review of the Application. As part of assessing the technical capacity of the Applicant the Applicant must have in place business management systems which must meet minimum requirements and be independently audited. The table below sets out the Territory requirements.

Technical Capacity - Business Management Systems:

- QA (Quality Assurance) - AS/NZS ISO 9001:2015
- OHS&R (Occupational Health Safety) - AS/NZS ISO 45001
- EMS (Environmental Management System) - AS/NZS ISO 14001:2015

Quality management system	Environmental management system	OHS management system*
ACT Second Party - an independently audited system that meets the requirements of a checklist to be provided by the assessing authority.	ACT Second Party - an independently audited system that meets the requirements of a checklist to be provided by the assessing authority.	ACT Second Party - an independently audited system that meets the requirements of a checklist to be provided by the assessing authority.
OR	OR	OR
Full 3rd party AS/NZS ISO 9001:2015	Full 3rd party AS/NZS ISO 14001:2015	Full 3rd party AS/NZS ISO 45001

* Accreditation under the Australian Government Building and Construction OH&S Accreditation Scheme is deemed to satisfy the OHS management system requirement for Prequalification at all levels.

4.11 Where third party certification of management systems is required, the following requirements apply:

- i. The independent auditor that assesses the Applicant’s management systems and provides accreditation to the relevant standard, must be an International Accreditation Forum Member. (this can be verified at: <https://iaf.nu/en/association-members/> -“Accreditation Bodies”)

- ii. Third party or ACT second party certification of the quality management system, environmental management system and occupational health and safety system of the Applicant is a mandatory requirement for all contractors.

Technical capacity - Compliance with the Code

- 4.12 Applicants must be compliant with the Code at the time they lodge an Application and at the time they are awarded Prequalification. The Code and associated documents can be downloaded from www.apcc.gov.au. Applicants will be required to make a declaration regarding their compliance with the Code in the Applicant's Declaration.

Technical capacity - Provision of insurances

- 4.13 All Applicants are required to have public liability insurance (generally not less than \$20 million) and workers' compensation policies to be eligible for Prequalification.
- Contractors involved in any "Design" projects will be required to have Professional Indemnity of at least \$5million.
- Those policies must be maintained while a contractor is prequalified. Other specific insurances may need to be held to participate in a particular Procurement Processes and the relevant procurement documentation should be checked in each instance. In some instances the Territory may organise a principal arranged insurance policy to cover works (which may be subject to limitations and/ or exclusions as set out in the policy). Contractors should familiarise themselves with the insurance position and make their own assessment as to whether they require additional insurance.

Technical capacity - Secure Local Jobs Code Certificate

- 4.14 Businesses tendering for work from 15 January 2019 will need to meet the requirements of the Secure Local Jobs Code and have a Secure Local Jobs Code Certificate at the time of tender.

For more information visit: <https://www.procurement.act.gov.au/secure-local-jobs>.

Technical capacity - work health and safety

- 4.15 The ACT Government recognises work health and safety as a priority. Given this position it seeks to establish that Applicants for Prequalification have an acceptable work health and safety performance record. Once prequalified, contractors who perform work for the Territory must comply with all Territory policies from time to time, including the WHS Active Certification Policy.

- 4.16 Applicants for Prequalification should be aware that the quantum and status of “Final Points” (as defined in WHS Active Certification Policy) allocated against them in accordance with the WHS Active Certification Policy will be considered by the Territory in assessing an Applicant’s Application. Once prequalified, contractors may be allocated points, in accordance with the WHS Active Certification Policy. The allocation of those points will be one tool used by the Territory to monitor and assess contractors’ ongoing work health and safety performance. Prequalified contractors should be aware that once they have been allocated 100 final points the Territory will take steps to cancel the contractor’s Prequalification status under the Scheme.
- 4.17 Applicants will be required to have in place an OHS management system that meets the minimum requirements set out in these Guidelines.
- 4.18 Applicants will be required to provide information regarding their work health and safety record and performance in their Applicant’s Declaration and with their Application. This information will be considered by the Territory in assessing an Applicant’s Application.

Technical capacity – Long Service Leave Authority (LSLA)

- 4.19 It is a mandatory requirement that all Employers and their Employees who undertake construction work in the Territory be registered with the LSLA. Further information can be obtained at: <https://actleave.act.gov.au/>

Prequalification Criteria - Financial Capacity

- 4.20 **The financial capacity of the Applicant will be assessed in considering its** Application and determining what financial threshold of Prequalification, if any, will be awarded to the Applicant.
- 4.21 The Territory may rely on the advice of an external assessor in considering an Applicant’s compliance with the financial capacity criterion. Once the Application is received the Territory’s external assessor will contact the Applicant and provide it with prescribed forms to be completed. The Applicant will be required to provide the external assessor with the prescribed financial information set out in the forms.
- 4.22 The external assessor may contact the Applicant to discuss the financial information provided by the Applicant and seek additional information or clarification, if required.
- 4.23 The external assessor will prepare a report for the Territory which will include a proposed financial threshold which may be allocated to the Applicant. The Territory will consider that report in determining whether to grant the Applicant Prequalification, and, if so, what financial threshold will be allocated to the Applicant as part of its Prequalification.

Preparation of file and report on Application

4.24 A file is generated for each Application received by the Prequalification Unit. The file is confidential and is not accessible to officers outside the ACT Government. Following the review of the Application, a consolidated report is prepared recommending either approval or decline of the Application. That report and file is provided to a delegate of Infrastructure Delivery Partners Group for consideration.

Decision to approve Application and grant Prequalification

4.25 If the Application is approved by the delegate, Prequalification will be granted. The Prequalification Registrar will prepare a certificate and forward it to the successful Applicant. Prequalification will be granted for an identified Category, financial threshold and term. Prequalification may be granted subject to specified conditions.

4.26 Details on the Prequalification certificate may include the following:

- i. The name of the prequalified contractor;
- ii. The street address of the prequalified contractor;
- iii. The Category and financial threshold referable to the Prequalification (which may extend to an attached schedule);
- iv. The dates of currency for the Prequalification; and
- v. The Prequalification certificate number.

4.27 If Prequalification is granted the Applicant's details will be placed on the Portfolio Performance and Procurement website, including the Category, a contact person for the Applicant, expiration date of the Prequalification, and any restrictions or conditions placed on the Applicant's Prequalification.

Decision not to approve Application

4.28 If the Application is not approved a letter will be sent to the Applicant by the Prequalification Registrar informing them of the reason/s.

4.29 Where a decision has been made not to approve an Application and grant Prequalification, Applicants may seek a review of the decision or appeal it in accordance with the procedure set out in Part 6 of the Guidelines.

Prequalification Process – Flowchart

4.30 A flowchart setting out the process for assessing Applications for Prequalification and granting Prequalification is contained at Appendix 1.

Consideration of other information

- 4.31 Applicants may be requested to submit additional information to allow further consideration of their Application. The failure by an Applicant to submit the additional information may result in their Application being rejected and not further considered.
- 4.32 By submitting an Application (and while prequalified, if Prequalification is granted to the Applicant) the Applicant authorises the Territory to:
- i. Obtain from any Territory, State or Commonwealth government agency (including for the avoidance of doubt, any regulatory or law enforcement body) and take into account in its evaluation (and any review of Prequalification status under the Scheme), information, including information about the Applicant's performance under contracts (whether or not those contracts were with the Territory, State or Commonwealth or another entity and whether or not those contracts were identified by the Applicant in its Application);
 - ii. Obtain and take into account in its evaluation of the Application (and any review of Prequalification status under the Scheme), information from referees or other reputable sources on the performance of the Applicant on projects (whether or not they are identified by the Applicant in their Application);
 - iii. Use any information obtained from any Territory, State or Commonwealth government agency (including for the avoidance of doubt, any regulatory or law enforcement body), referee or other reputable source for any government purposes including, without limitation, assessment of suitability for award of contract, registration or selective tender lists; the granting of Prequalification; the review of Prequalification status and the review and appeal process set out in this Scheme;
 - iv. Provide information about the Applicant to any Territory, State or Commonwealth government agency, including information provided by the Applicant and information related to the Applicant's performance at any time and for any reason;
 - v. Provide the name of the Applicant to Unions ACT; and
 - vi. Provide the Applicant's Declaration to any Territory, State or Commonwealth government agency (including any regulatory or law enforcement body, which includes, without limitation WorkSafe ACT) as evidence of the Applicant's consent to allow that agency to release information as requested by the ACT Government to the ACT Government.

5. Validity of Prequalification

- 5.1 Unless otherwise specified, Prequalification will be granted for a period of thirty six (36) months. Renewal of Prequalification shall be in accordance with requirements in force at the time of renewal. Care should be exercised, when applying for prequalification, to ensure that offered categories of work accurately reflect the nature of the firm's business.
- 5.2 A financial assessment will be conducted every twelve (12) months, notwithstanding the expiry date of the 36 month term.

6. Maintenance of Prequalification status

Provision of Updated Information

- 6.1 In order for a prequalified contractor to maintain its Prequalification status the contractor must submit for assessment regular and full updates of information to support its ongoing financial capacity and technical capacity as and when requested by the Territory.
- 6.2 The Territory will monitor and assess the ongoing performance of each prequalified contractor. Each contractor's Prequalification status will depend on the contractor maintaining a good level of performance in its delivery of the Territory's contracts. Performance reports may be prepared during the course of and at the end of a contract.
- 6.3 The reports will be used to promote the process of continuous improvement, to support the contractor's ongoing Prequalification status and to ensure a common understanding of expectations for both parties regarding the contracted works.
- 6.4 As part of monitoring and assessing the contractor's ongoing performance the Territory will consider the contractor's performance and compliance with ACT Government policies including the WHS Active Certification Policy.

Review of a Contractor's Prequalification Status

- 6.5 The Territory may review a contractor's Prequalification status at any time. A review may be initiated, amongst other reasons, for any one or more of the following:
 - i. Where a contractor's performance is considered unsatisfactory;
 - ii. Following changes to a contractor's organisational structure, or technical or financial capacity which, in the opinion of the Territory, may have an adverse effect on the contractor's performance;
 - iii. Where restrictions on a license/registration to practice are imposed, or third party certification of a management system is withdrawn or

has expired;

- iv. For failure to comply with the terms and conditions of Prequalification as set out in these Guidelines, and elsewhere; or
- v. The contractor fails to comply with the WHS Active Certification Policy.

Outcome of review

- 6.6 As a result of a review, the Territory may, at its discretion, cancel, downgrade or suspend a contractor's Prequalification status. If any such action is proposed, the contractor will first be given the opportunity to show cause why its Prequalification status should not be adjusted.

Show cause notice

- 6.7 This shall be undertaken through the issue of a formal Show Cause Notice to the contractor. The Show Cause Notice shall:
- i. State that it is a notice under the Scheme;
 - ii. Specify the alleged breach;
 - iii. Require the contractor to show cause in writing why the Territory should not exercise the right to cancel, suspend or downgrade the contractor's Prequalification status; and
 - iv. Specify the time and date (which will be not more than 10 business days) by which the contractor must show cause.

- 6.8 The Territory may make further enquiries to verify the contractor's responses.

Failure to respond to Show Cause Notice

- 6.9 If by the time specified in a Show Cause Notice the contractor fails to respond or to show reasonable cause why the Territory should not adjust the Prequalification status, the Territory may cancel, suspend or downgrade the Prequalification status without further notice to the contractor.

Appeal against Sanctions

- 6.10 The contractor may elect to ask for a review of a decision or appeal the imposition of the Sanction in accordance with the process outlined in this Part 6 of the Guidelines.

Cancellation, Suspension or Downgrading

- 6.11 The following options are open to the Territory following a review of a contractor's Prequalification status.

Cancellation

- 6.12 The Territory may cancel a contractor's Prequalification. Examples of breaches that may give rise to cancellation of a contractor's Prequalification include (but are not limited to):
- i. Unsatisfactory performance on one or more contracts between the contractor and the Territory;
 - ii. A failure to comply with the WHS Active Certification Policy, sufficient to give rise to a cancellation of Prequalification;
 - iii. A show cause notice has been issued in relation to a contract, or a contract has been terminated;
 - iv. The prequalified contractor is: insolvent; has been placed into administration (whether voluntary or otherwise); has a liquidator, provisional liquidator, controller, receiver, receiver and manager or administrator appointed or a mortgagee take possession of any of its property, or is involved in a compromise or other arrangements with creditors;
 - v. An adverse change in the contractor's management systems or technical capability (including availability of key personnel) from that on which the Prequalification financial threshold was assessed

and determined such that the contractor no longer fully meets the requirements for Prequalification at any level; or

- vi. Where the contractor is experiencing financial problems, as verified by the Territory.

Suspension

- 6.13 Prequalification may be suspended in particular circumstances, such as where the contractor is experiencing a temporary problem and is unable to satisfy all of the Prequalification criteria in the short term. In such circumstances, the contractor's Prequalification may be suspended until the temporary problem is remedied and the contractor is again able to satisfy all of the criteria corresponding to the level of Prequalification granted.

Downgrading

- 6.14 The contractor's level of Prequalification may be downgraded by reducing the financial threshold applicable to the contractor. Examples of breaches that may give rise to downgrading of a contractor's Prequalification status include (but are not limited to):

- i. Repeated minor contractual non-compliances or minor non-compliances with the Scheme where, in the opinion of the Territory, there is an unacceptable risk in allowing the contractor to remain prequalified at their current Prequalification level, but the contractor is able to demonstrate that it can fully comply with the Prequalification requirements for a lower level of Prequalification; or
- ii. An adverse change in the organisation's management systems or technical capability (including availability of key personnel) from that upon which the Prequalification financial threshold was assessed and determined, but the contractor can demonstrate that requirements for a lower financial threshold of Prequalification are met.

Reviews and Appeals

- 6.15 If a contractor is not satisfied with any decision made by the Territory in relation to its' Prequalification decisions or Sanctions, the contractor may either request a review of the original decision, or lodge an appeal against the decision, as follows.

Reviews

- 6.16 The contractor may request a review of the decision by the original assessors. The request for review must contain full details of the reasons for the request for review and together with any additional information upon which the contractor wishes to rely. Any request for a review must be lodged with the Executive Director, Infrastructure Delivery Partners Group, Infrastructure Canberra within 20 business days of the date of the letter advising of the Prequalification decision.

Appeals

- 6.17 Requests for appeals must be lodged with the Director General, Infrastructure Canberra within 20 business days of the date of the letter advising of the Prequalification decision. The request for appeal must contain full details of the reasons for the request together with any additional information upon which the contractor wishes to rely.
- 6.18 The appeal will be considered by a person appointed by the Territory (who may be an employee of the Territory). The person appointed must not be the original assessor or delegate.
- 6.19 The person appointed to consider the appeal will review the original decision and may also consider new/additional information. They will also determine, in their absolute discretion, how they will consider the appeal. The person appointed to consider the appeal will provide written reasons for his or her decision within 20 business days of making their decision.
- 6.20 The decision of the person appointed to consider the appeal will be final and binding on both the Territory and the appellant/contractor.

Impact on existing contracts

- 6.21 The imposition of a Sanction may impact on contractor's obligations in respect of existing construction contracts with the Territory. The terms of those contracts should be considered to determine the obligations of the parties.

7. No Guarantee of Work

- 7.1 The Territory does not guarantee, warrant or otherwise represent that any business or a minimum value of business will be contracted to or earned or received by any prequalified contractor. Prequalification only determines a contractor's eligibility to participate in a relevant Procurement Process. A

contractor may also be required to comply with other requirements as part of that Procurement Process, for example meeting specified Territory legislative, regulatory or contractual requirements.

- 7.2 Territory procurement legislation, principles and policies, including value for money, are applied in the evaluation and selection of contractors as set out in the procurement documentation referable to a Procurement Process and Territory laws.

8. Other matters

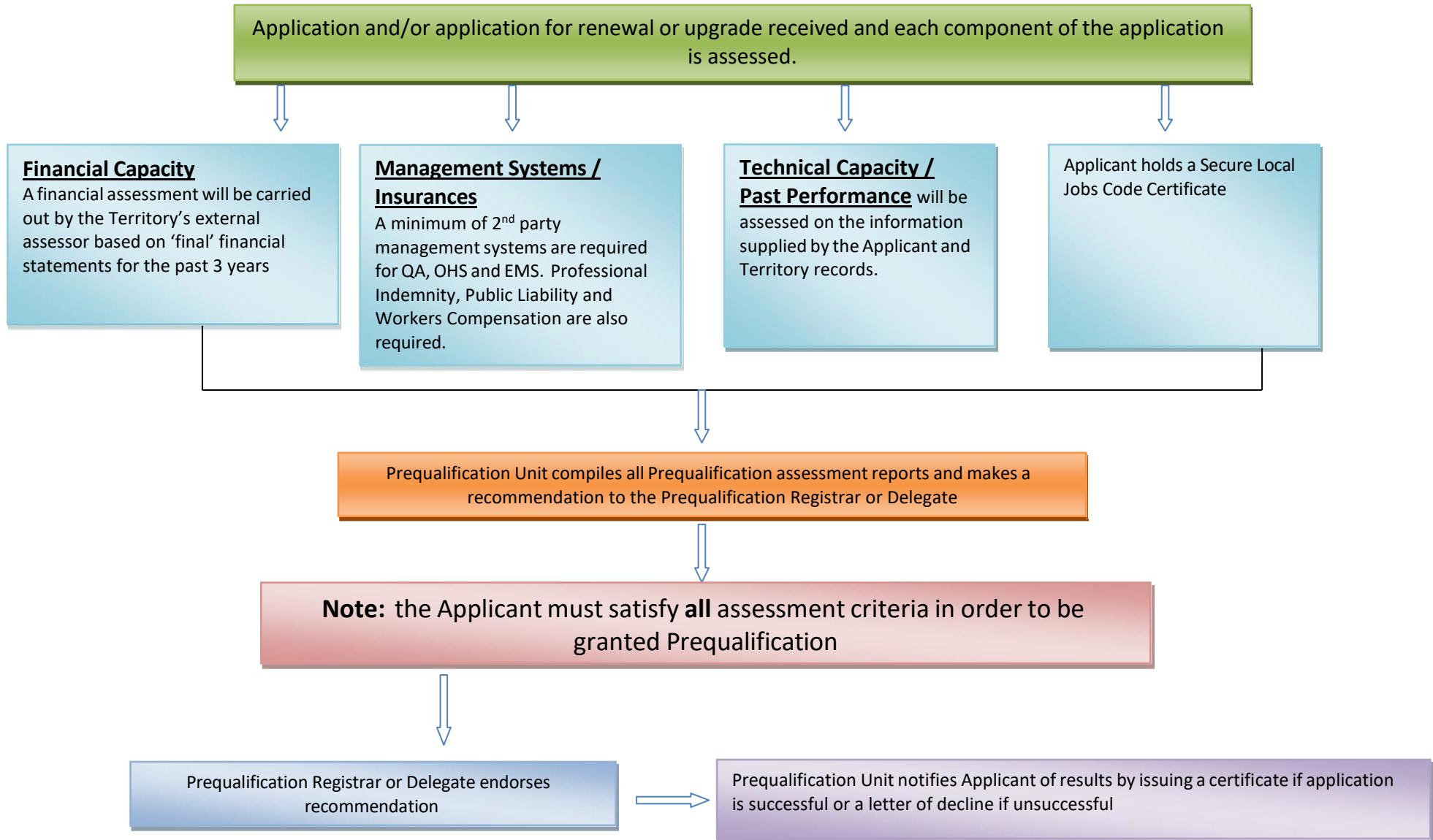
An Applicant and any prequalified contractor must not use any information relating to its Prequalification status or contract performance in its advertising or promotional material or publish such information in any form without the express written consent of the Territory.

For detailed information regarding implementation of the Scheme and for assistance with your Application you should contact:

Prequalification Registrar
Portfolio, Performance & Procurement
Infrastructure Canberra
PO Box 158
CANBERRA ACT 2602

Telephone (02) 6207 7154
Website at: <https://www.act.gov.au/infrastructurecanberra/home>
Email iCBRPrequalification@act.gov.au

Appendix 1 - Prequalification Process Flow Chart



Appendix 2 - ACT Government – Prequalification Categories & Descriptors for Contractors

Code	Name	Descriptor
CB Unrestricted (also includes CR)	Contractor – building (non-residential) <i>please note the maximum financial level for this code is F49 after which the National Prequalification Scheme for Non Residential Building is applicable</i>	Unlimited construction. Contractor activity in relation to non-residential buildings consists of work on buildings other than dwellings, including fixtures, facilities and equipment that are integral parts of the structures and costs of site clearance and preparation. Historic monuments identified primarily as non-residential buildings are also included. Examples include warehouse and industrial buildings, commercial buildings, buildings for public entertainment, hotels, restaurants, educational buildings, health buildings, etc.
CB Restricted (also includes CR)	Contractor – building (non residential)	Construction up and including three storeys in height. Contractor activity in relation to non-residential buildings consists of work on buildings other than dwellings, including fixtures, facilities and equipment that are integral parts of the structures and costs of site clearance and preparation. Historic monuments identified primarily as non-residential buildings are also included. Examples include warehouse and industrial buildings, commercial buildings, buildings for public entertainment, hotels, restaurants, educational buildings, health buildings, etc.
CR	Contractor – building (residential)	Domestic residential construction up to two storeys in height. Restricted to National Construction Code, Building Code of Australia Classes 1,2 and 10a. Contractor activity in relation to a building that is regarded as a residential building. That is when more than half of the floor area is used for dwelling purposes. Two types of residential buildings can be distinguished as: - houses (ground-oriented residential buildings): comprising all types of houses (detached, semi-detached, terraced houses, houses built in a row, etc.) each dwelling of which has its own entrance directly from the ground surface;

		- other residential buildings comprising all residential buildings other than ground-oriented residential buildings as defined above.
CL	Contractor landscaping – including Construction	Contractor activity that involves the art and technology of landscape and garden project planning, construction and landscape management, and maintenance and gardening; for garden aesthetics, human enjoyment and safety, and ecosystem-plant community sustainability. Includes construction up to B Class Licence level.
CL (Restricted)	Contractor landscaping - with no Construction	Contractor activity that involves the art and technology of landscape and garden project planning, construction and landscape management, and maintenance and gardening; for garden aesthetics, human enjoyment and safety, and ecosystem- plant community sustainability.
DC	Design, document and construct contracting services	Contractor activity that involves the Design, documenting and Construction of buildings.
PMC	Project Management Construction (inclusive of construction management services)	Project Management activity for services for an agreed management fee and fixed onsite costs. This may also include design and document activities.
PM Civil R1	Project Management Civil Construction 1	Project Management activity for Civil Construction services for an agreed management fee and fixed onsite costs – Projects up to \$2 million
PM Civil R2	Project Management Civil Construction 2	Project Management activity for Civil Construction services for an agreed management fee and fixed onsite costs – Projects up to \$5 million

MC	Managing Contractor (applies to specified project delivery of approximately \$30 m and above	Activity including bespoke parcel of major work or program of major works where the total cost of development is greater than \$30m
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Note - The following codes are also included in the National Prequalification System for Civil (Road and Bridge) Construction and therefore, the Financial threshold will be Zero dollars \$0.00. Prequalification using these codes will be required for all projects of any amount.

TS	Traffic Signals	Trade activity installation of control devices – both electronic and mechanical, but excluding static signage and road (line) marking
LS	Land sub division	Contractor activity for infrastructure works inclusive of landscape and storm-water management, road-works, mains reticulation and site servicing.
TSG	Trunk Services, gas	Contractor or trade activity installation of pipe and ancillary works for conveying of gas between building developments.
TSH	Trunk Services, hydraulics	Contractor or trade activity installation of pipe and ancillary works for conveying of potable water, sewage and storm-water between building developments.
MS	Major Stormwater	Contractor or trade activity installation of structure for the storage / control of water flow; such as dams, weirs, spillways, dykes, embankments, retention ponds, reservoirs, channels or canals, cut-off drains and gross pollutant traps.
TSS	Trunk services, steam	Contractor or trade activity installation of pipe and ancillary works for conveying superheated, saturated or domestic pressure steam – generally for industrial and commercial uses.
MSH	Mains services, hydraulics	Trade activity installation of pipe and ancillary works for conveying of potable water, sewage and storm water within building developments.
TMI	Traffic management, intersections	Installation and maintenance of temporary road signs, road furniture such as bollards & cones, temporary pavement marking, delineators, traffic signals, and warning signs necessary for the diversion of traffic and pedestrians during construction projects requiring traffic lane or footpath closures.
CIRR	Cable installation & road re-instatement	Activity combining the capabilities of underground cable installation and subsequent reinstatement of traffic pavements and shoulders of pavements (thrust boring).
PLRR	Pipe laying & road re-instatement	Activity combining the capabilities of underground pipe laying installation and subsequent reinstatement of traffic pavements and shoulders of pavements (thrust boring).
PI	Pole installation	Activity involving installation of poles for overhead cable and street lighting.
SRM	Signage & road marking	Activity for delineation – by the manufacture and erection of signs and line marking – to create static traffic control devices.
D	Demolition	Activity involving all general dismantling and or removal of buildings, structures and civil (site clearing) works by manual, mechanical, explosive, implosive or other means.

RWCS	Road works, crack sealing	Activity for the supply and application of bituminous, cement or epoxy based compounds to re-instate waterproofing qualities of pavement surfaces.
RWSS	Road works, spray sealing	Activity to describe sprayed bituminous surfacing. The application of applying a thin film of bitumen based binder to a prepared road surface, by spraying bitumen through a calibrated sprayer to the road surface. Aggregate is then spread over this film and rolled into the binder to ensure that the stone adheres to the road surface.
RWAS	Road Works, Asphalt surfacing	The application of laying a mixture of bitumen and pre-heated aggregate which is maintained at a defined temperature and subsequently spread and compacted while still hot. Common asphalt surfacing include Dense Graded Asphalt, Open Graded Asphalt, Fine Gap Graded Asphalt, Stone Mastic Asphalt and Ultra Thin Asphalt.
BM	Bridge Maintenance	This activity relates to maintenance activities to preserve the structural integrity of bridges and extend service lives of various bridge elements.

Financial Levels for Contractors

Financial Level	Value
F 0.5	from \$0.25 to 0.5 m
F2	from \$0.5 to \$2 m
F5	from \$2 m to \$5 m
F10	from \$5 m to \$10 m
F15	from \$10 m to \$15 m
F20	from \$15 m to \$20 m
F25	from \$20 m to \$25 m
F35	from \$25 m to \$35 m
F49	Up to \$49 m
F50	Up to \$50 m
F50+	\$50 m and greater

NOTE : Construction Projects greater than \$50m come under the National Prequalification System (NPS) for Non-Residential Building Contracts

Explanatory notes to Prequalification Financial thresholds for Contractors

- ❖ Prequalification is not a mandatory requirement for work valued up to \$0.25 M.
- ❖ Eligibility for the Prequalification financial thresholds are based on Net Tangible Assets being 10% of Prequalification value, Working Capital being 10% of the Prequalification value, the Prequalification value not exceeding 50% of average revenue for the last three (3) full years and the Current Ratio being greater than 1.
- ❖ Financial threshold Codes are called for in tender advertisements / documents to identify the level and type of Prequalification certification required. An example of this would be CB – F5 which is Contractor - Building (Non-Residential) up to \$5 m. Financial threshold Codes are also shown on the Prequalification Certificate. When these match, an eligibility to tender is indicated.

Note: specific descriptions for each Prequalification field of work type are detailed in the document titled 'Prequalification of Construction Industry Contractors – Application that can be downloaded from <https://www.act.gov.au/infrastructurecanberra/supplying-to-government/prequalification/apply-for-act-prequalification>

* Project size limitations may apply.

** Project specific Prequalification may apply.

Appendix 3 - Contractor Qualification Requirements

Work Code	Specific Requirements
CB Unrestricted	1 x qualified Architectural, or Engineering or Building Construction Degree, 2 x 'A' Class Builder's Licence *
CB Restricted	2 x 'B' Class Builder's Licences *
D	Must hold an ACT Builders Licence which includes " <i>Demolition of Buildings by Hand or Mechanical Means</i> " *
CL	1 x Horticulture Certificate with Landscape Construction Certificate or Civil Engineering Certificate, and 1 x 'B' Class Builders Licence *
CL (Restricted)	1 x Horticulture Certificate with Landscape Construction Certificate or Civil Engineering Certificate,
CR	2 x 'C' Class Builder's Licence *

DC	<p>1 professionally qualified architect, landscape architect or engineer with project management qualifications, plus</p> <p>1 business management/commerce degree, plus</p> <p>2 x 'A' Class Builders Licence, plus</p> <p>membership of or eligibility for membership with the Australian Institute of Project Management.</p>
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PMC	<p>1 building science degree, or professional qualification in a building discipline, plus</p> <p>2 x 'A' Class Builders Licence, plus</p> <p>membership of or eligibility for membership with the Australian Institute of Project Management</p>
PM Civil R1	<p>Approved NPS Civil Road and Bridge Prequalification – R 1, F 2, and membership of or eligibility for membership with the Australian Institute of Project Management</p> <p>NOTE – Applicants with NPS Prequalification approved in other jurisdictions must have Mutual Recognition approved in the ACT.</p>
PM Civil R2	<p>Approved NPS Civil Road and Bridge Prequalification – R 2, F 5, and membership of or eligibility for membership with the Australian Institute of Project Management</p> <p>NOTE – Applicants with NPS Prequalification approved in other jurisdictions must have Mutual Recognition approved in the ACT.</p>
MC	<p>1 building science degree, or professional qualification in a building discipline to manage design, development and construction of projects > \$30 million, plus</p> <p>1 business management/commerce degree, plus</p> <p>2 x 'A' Class Builders Licence plus</p> <p>membership of or eligibility for membership with the Australian Institute of Project Management</p>
SRM	Applicable on the job training and skill sets
PI	Applicable on the job training and skill sets

CIRR	Applicable on the job training and skill sets
RWAS	Applicable on the job training and skill sets
TS	Applicable on the job training and skill sets
LS	Applicable on the job training and skill sets
TSG	Applicable on the job training and skill sets
TSH	Applicable on the job training and skill sets
MS	Applicable on the job training and skill sets
TSS	Applicable on the job training and skill sets
MSH	Applicable on the job training and skill sets

TMI	<p>Demonstrated ability (within the last 5 years) to install temporary traffic control measures and devices to be used to warn and guide road users in the safe negotiation of work site on roads. This is to include unsealed roads together with footpaths, shared paths and bicycle paths adjacent to the roadway, applicable for traffic schemes for road, bridge, footpath, cycle path and public realm construction and maintenance activities and all other works associated with obstruction to normal use of roads or public thoroughfares.</p> <p>The contractor’s organisational structure showing crew members with the following qualifications from an Australian State or Territory accredited trainer to demonstrate their capacity to implement and modify TTMs.</p> <ol style="list-style-type: none"> 1. Traffic Controller (Stop/slow bat usage) 2. Implement Traffic Control Plans
D	Applicable on the job training and skill sets
PLRR	Applicable on the job training and skill sets
RWCS	Applicable on the job training and skill sets
RWSS	Applicable on the job training and skill sets
BM	Applicable on the job training and skill sets

*All builders' licensee must be current ACT Licences and listed on Access Canberra website at:

<https://services.accesscanberra.act.gov.au/s/public-registers/construction-licences?registerid=licensed-builders>

ACT Builders may be obtained licenses under mutual recognition with Access Canberra . Application for mutual recognition can be obtained from <https://www.accesscanberra.act.gov.au/business-and-work/mutual-recognition>

Prequalification will only be given once the license is noted.

Note: Applicant licences, accreditations, technical qualifications and nominated project references are checked.

These qualification requirements are consistent with the National Code of Practice for the Construction Industry and Environment, Planning & Sustainable Development Directorate regulatory and licensing requirements. These are, however, not exclusive and required qualifications may be changed by the ACT Government at its discretion.

Applicants also need to submit with their applications current resumes for all technical employees and personnel, including directors and partners, involved in the delivery of services.