


CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 1000-17	HISTORY	
	DATE: February 28, 1984	FILE #	DATE
	FILE NUMBER: 43099	45565	8/27/85
	DEPARTMENT: Engineering	47871	1/20/87
		48395	6/02/87
		71352	6/24/03

SUBJECT: PREQUALIFICATION OF BIDDERS AND SUBCONTRACTORS

PURPOSE: To establish a standard for the prequalification of bidders and subcontractors, so as to ensure public safety, quality construction and the timely completion of public works and public buildings/facilities projects to the benefit of both the City and the public.

POLICY:

1. As provided in Act No. 170, P.A. of 1933, and due to the considerable volume of public works and public buildings/facilities projects undertaken by the City of Grand Rapids, all bidders and sub-contractors on public works and public buildings/facilities projects of \$10,000 or more, undertaken through the City Engineer's Office, shall become prequalified prior to the bid date. However, the City Manager or designee may, on a project-by-project basis, require any/all bidders and/or subcontractors to become prequalified prior to submitting a bid for a specific project under \$10,000. A firm may be furnished bid documents by signing a waiver form stating the firm's understanding that the firm is not prequalified at that time, in the stated category(ies) of work, to bid on that specific project or is not prequalified at that time to subcontract on that specific project. The Engineer's Estimate of Cost shall be used to establish the dollar value of projects covered by this policy.
2. Bidders' and sub-contractors' prequalification shall be based upon certain information regarding their financial resources, construction equipment and facilities holdings and work experience, all to be furnished in accordance with Administrative Procedures and at such times as may be set forth by the City Manager.
3. Said procedures as referenced in Item 2 shall also describe the methods to be used to interpret this information so as to arrive at a meaningful prequalification including both a financial rating and a statement of the types of work for which the applicant is prequalified. The bidders and

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sub-contractors will only be allowed to bid or subcontract for such types of work and in such dollar amounts as their qualifications warrant. An exception, on a project-by-project basis, may be approved by the City Manager or designee.

4. While the prequalification requirements apply to bidders as well as subcontractors, lesser criteria may be established regarding the financial information required of sub-contractors.
5. The City Manager or designee will have the right to withdraw prequalification status from a firm in its entirety or by category and/or the right to adjust a firm's ratings at such time as the City Manager or designee becomes aware of substantial changes in the information previously furnished or for other reasonable cause(s) as determined by the City Manager or designee, such as unsatisfactory actual contract performance or failure to pay bills and/or claims.
6. Joint venture bidding, on a project-by-project basis, shall be allowed provided that the joint venture business/firm is prequalified for the applicable project, and that each party of the joint venture business/firm is prequalified in the applicable types of work and in an amount at least equal to the share of the project for which that party is responsible. Further, each party of the joint venture business/firm shall be responsible for at least 25% of the total project, or that percentage of the total project cost as established by the City Manager or designee on a project-by-project basis. The joint venture firm shall be registered as a joint venture business/firm with the appropriate authorities (agencies).
7. Should an applicant disagree with either the determination that the applicant is not prequalified or the financial rating or the types of work for which the applicant has been prequalified, the City Manager shall, within 14 days of the receipt of a written request, review the original information and/or such additional information as the applicant may choose to submit and either confirm the original rating or issue a revised rating as appropriate.
8. Should an applicant for prequalification wish to appeal the results of the above-described City Manager's review, the applicant may request, in writing, a hearing by the City Commission Community Development Committee. The Committee shall, within 14 days of such a request, consider written and oral presentations as may be presented by both the applicant and the City Manager, and within 14 days of said hearing, the Committee shall either confirm the original rating or issue a revised rating as appropriate.

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9. The City Engineer's Office shall maintain a list of prequalified bidders and sub-contractors who are eligible to bid on public works and public buildings/facilities projects. Application for prequalification shall be made annually, based on the most recent financial statement available. A list shall then be published and updated as required
10. The City's Equal Opportunity Department shall, to the extent possible and utilizing the City Engineer's Office list of prequalified bidders and subcontractors as referenced in Item 9, develop a single list of contractors interested in the City's public works and public buildings/facilities projects, indicating their status as to prequalification, certification and Minority or Women Owned Business Enterprise (M/WBE) status.
11. Recognizing that, infrequently, the City may need the services of contractors who specialize in projects requiring certain unusual skills, equipment, and/or technical knowledge and capability and that such companies may not find it convenient or reasonable to maintain and/or apply for prequalification with the City due to infrequent construction activities for the City, the City Manager or designee may, prior to advertising for bids on such projects, waive the normal prequalification requirements for both bidders and/or subcontractors.
12. Recognizing that on certain public works and public buildings/facilities projects it may be in the City's interest to allow bidders to utilize non-prequalified subcontractors in the preparation of their bid proposals, the City Manager or designee may waive the normal prequalification requirements for subcontractor(s) provided that any such subcontractor(s) used by the successful bidder become prequalified in accordance with the Administrative Procedures established by the City Manager. Bidders using non-prequalified subcontractor(s) would assume any liability resulting from the subcontractor(s) not being approved for prequalification by the City Manager or designee subsequent to bids, and both the bidder and subcontractor(s) waive any right to any claim against the City.