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The Construction File

March 2006
Volume 4
Issue 2

A Guide to Standards and Practices in the Construction Industry

Pre-qualification of General Contractors and Trade Contractors

BCCA and its regional associations recognize the need for pre-qualification on publicly funded projects only in limited circumstances. Generally the ability of the Contractor to secure the necessary bonds is the sole criteria by which Contractors should be pre-qualified.

Pre-qualification may be considered where it is determined that there is a need to Pre-qualify General Contractors or Trade Contractors because of certain special expertise requirements, such as specific environmental considerations, specialized public safety requirements or other clearly identified criteria. It should be noted that conducting a contractor pre-qualification may be difficult and contentious if established tendering principles of openness, accountability and fairness are not followed.

Qualification of bidders at the time of bidding is also not a practice BCCA supports. As members of the Public Construction Council of BC we endorse their guideline which states the following, *'Qualification of Bidders - A clause requiring a bidder to submit details of his experience or financial status in the tender documents, should not be included. A clause requiring the successful low bidder to provide such information prior to acceptance of the tender is appropriate'*. Contractors who have gone to great lengths and cost to prepare a bid should not have their bid evaluated on subjective conditions imposed on the bid.

Even with well defined criteria and a comprehensive score sheet for evaluating contractors there is a huge element of subjectivity to pre-qualification. Hence, regardless of how sincere a public owner may be they can come under scrutiny for prequalification; it may well be a cliché but there is wisdom in the statement that 'not only do public owners have to be fair they have to appear to be fair'.

The double edged sword for contractors in pre-qualification or qualification is that the very public owner for whom they are working on one project may have the opportunity to decide whether they get to bid on that owner's next project. Will the need for a contractor to pre-qualify impact on the fairness of a decision where a contractor has exercised their right to contest a judgment during the bidding or performance of a previous contract? Consequently, this subjectivity of the evaluation process is why BCCA believes that pre-qualification is only suitable in limited circumstances.

For the BCCA policy on Pre-Qualification we endorse the February 19, 2004 version of the Public Construction Council Recommended Guidelines for the Use of Pre-qualification of General Contractors and Trade Contractors (http://www.pccbc.com/docs/PCC_Prequalification_Guideline_Feb04.pdf). This document, noted as a 'Consultation Draft', nonetheless represents the BCCA policy on Pre-qualification.