



# Issue Update

## BCCA ADDRESSES PREQUALIFICATION

Prequalification of contractors on public construction projects has been recognized as appropriate only in special circumstances. The Canadian Construction Association recommends the use of prequalification for complex projects with tight schedules and the CCA – 11 document was developed as the appropriate form for the submission of qualifications. Prequalification is often contentious and the criteria chosen should be as objective as possible in order to achieve fairness in the tendering process.

Unfortunately recent prequalification requirements on education and healthcare facilities around the province have given the public owners the right to apply subjective criteria in the evaluation of contractors. Examples are requirements to provide information on superintendent and project managers, local preference policies, unreasonable financial information and limitations on the number of contractors that can be prequalified. Such an approach results in contractors competing in a popularity contest rather than facing an objective evaluation of their qualifications for the job. It is also in direct contravention of stated government policy as noted in the guidelines for the Province of B.C.'s Stipulated Price Construction Contract:

### 3.2 Prequalification and Bidders Lists

Open public tender is the standard process for selecting Contractors for public construction projects. Prequalification criteria shall be used only in circumstances when specialized expertise is required. In these circumstances a list of Contractors who have been identified in advance by the Agency as potentially qualified to perform a particular type of work (i.e. a Bidders List) may be prepared.

Typically, local agencies are only permitted to prequalify Contractors at the discretion of the sponsoring Ministry and only when prequalification criteria are specifically identified and confirmed prior to bid call. Unless otherwise directed by the funding Ministry or Crown Corporation, the ability of the Contractor to secure the necessary bonds is the sole criteria by which Contractors can be prequalified.

This position is supported by the Public Construction Council of BC.

Our "New Era" government promised to restore open tendering to the province of British Columbia. The BCCA questions whether this can be accomplished when government agencies are busy restricting competition and setting the stage for unfair practices.

In order to effectively combat this disturbing trend it is imperative that each and every example of inappropriate calls for prequalification be identified. If you become aware of any requirement for prequalification on public construction that you feel is unjustified please call Warren Perks, Director of Industry Practices, at the BC Construction Association. Phone: (250) 475-1077 or E-mail: [perks@bccassn.com](mailto:perks@bccassn.com)

## LET'S GET BC BUILDING!

The mission of the BCCA is to provide leadership and excellence in the representation of, and service to, British Columbia's construction industry.