

Prequalification and Construction - Industry Feedback

Prequalification of suitable contractors, both for future work and for specific projects, is a useful tool. It allows the buyers of service to be certain they're receiving bids from contractors capable of carrying out the work in the manner expected by the buyer. It also allows the contractors to have a better understanding of their likelihood of success. Prequalification means that unqualified contractors will not spend time and money pursuing work they will not get.

Prequalification also serves as a mechanism for signaling the priorities of buyers to contractors. Whether it is safety, on-schedule delivery, Indigenous participation, innovation, or local knowledge, buyers can use their prequalification processes to encourage contractors to meet these expectations, while ensuring that they only work with contractors that do.

While prequalification is a valuable tool for both the buyer and the contractor, it is a tool that can detract from its objectives if used improperly. The recommendations contained in this guide to prequalification from Saskatchewan's construction industry are designed to ensure that prequalification is used by buyers in a manner that is constructive for both buyer and contractor.

The objective of prequalification should be to reduce the administrative burden and project risk for both the buyer and the bidding contractors. At the same time, prequalification should be used as a mechanism for enabling contractors, especially local contractors, to showcase their ability to meet the project expectations of the buyer.

To achieve these objectives, construction buyers are encouraged to implement the following recommendations:

Safety

- Require COR or SECOR to ensure that the buyer is working with safe contractors.

Standardize

- Use the same approach for prequalification for every project within the same category of procurement. Collect the same information in the same way for every contractor and every project. Consider using CCDC 11 as a model. This document has already been approved by other buyers for the purposes of prequalification. The document also has the support of design consultants and contractors.

Simplify

- Only ask for information that is essential to the decision-making process. Collecting more information than is necessary increases your administrative burden as well as that of the contractors. It also increases the cost for contractors to pursue prequalification. Consider using CCDC 11 as a model.

Advertise

- Post pre-qualification opportunities with your local construction associations. This is where local companies connect to find new work.

Automate

- The easier you can make it for you to access and process information the better. In so doing, you are also making it easier for the contractors to submit and track information. Explore digital options that allow the contractor to update records while permitting you to track and review content as you need – without having to collect binders of information in your office every time you run a project.

Early Engagement

- Begin discussions with your local contractor groups as early as possible. Ask for their input in the design and finalization of your prequalification process, and work to ensure that nothing you are doing unintentionally excludes your local contractors. Industry engagement early in any procurement process ensures you get the most current information and are therefore likely to get the most competitive bids possible.

Incorporate Feedback

- Before, during, and after you use prequalification, ask for, collect and incorporate feedback from your involved contractors. Use this feedback, along with that from you and your team, to improve the process for the next time. Pay special attention to feedback that suggests you may have ways to improve in the areas of: standardization; simplification; automation; and engagement.

Fit

- Only use prequalification when it is appropriate and necessary for the scope and size of the project. Discuss this with industry before making the decision if you are not sure. When deciding to use prequalification, make sure that the complexity of the process and the time involved to pursue the opportunity are appropriate for the scope and size of the project.

Clarity

- Be explicit and clear in what you're asking for and how you want it presented. Factor in how each element will be scored when building the proposal, and only include those elements that are essential.

Ensure Differentiation

- Build a scoring matrix that allows for differentiation between submissions on more than just price.

To support project owners or consultants in ensuring that the above recommendations are appropriately factored into the use and design of prequalification, industry has created a checklist. Before proceeding with a prequalification, the owner and/or consultant should be able to answer yes to all the questions below:

- Is the prequalification we have built appropriate for the size and nature of the project?
- Have we conferred with local industry regarding our plans for rolling this project out and incorporated their feedback?
- Have we ensured that there is nothing in the prequalification process that will make it unnecessarily difficult on local vendors to respond or be successful?
- Are all the pieces of information we are requested as part of this prequalification necessary for us to be able to evaluate and select a vendor?



- Do we know, and have we communicated effectively, how every piece of information we are requesting will be used and evaluated?
- Have we, in every case, selected the least onerous method, from the perspective of our vendors, to collect the requested information?
- Does our scoring matrix reflect all the information we are requesting and all the ways in which we will evaluate the vendor submissions?
- Does our scoring matrix and our evaluation criteria allow for meaningful differentiation between vendors on the qualitative elements?
- Have we clearly communicated our scoring matrix to prospective vendors?

For more information about this issue, or any issue related to prequalification within Saskatchewan's construction industry, please reach out to the Saskatchewan Construction Association at 306-525-0171 or sca@scaonline.ca.

Prepared by the Saskatchewan Industry Advisory Council, a committee of the Saskatchewan Construction Association, representing 19 industry and trade associations in the province, as a guideline of recommended industry practice.