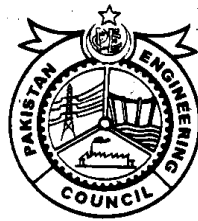


**STANDARD PROCEDURE  
FOR  
PRE-QUALIFICATION  
OF  
CONSTRUCTORS**

**(First Edition)**

**March, 2009**



**PAKISTAN ENGINEERING COUNCIL  
ISLAMABAD**

## **ACKNOWLEDGMENT**

Pakistan Engineering Council extends deep appreciations and acknowledges the tremendous contribution in developing and finalizing this document by the following members of the Pakistan Engineering Council (PEC):-

- |     |  |          |
|-----|--|----------|
| 1.  | Engr. M. Mazhar-ul Islam<br><i>(CEO, Techno Legal Consultants, Lahore)</i>   | Convenor |
| 2.  | Engr Shehryar Khan<br><i>(Joint Technology Adviser, Ministry of Science &amp; Technology)</i>                                  | Member   |
| 3.  | Engr M Shahid Rafiq<br><i>(Chairman, APCA, Islamabad)</i>  | Member   |
| 4.  | Engr Sohail Ahmad Khawaja<br><i>(Director (Surveillance), MEPCO, WAPDA, Lahore)</i>  | Member   |
| 5.  | Engr Mahmood Ahmad Sulehri<br><i>(Head, Contract Division, NESPAK, Lahore)</i>   | Member   |
| 6.  | Engr Arif Kasam<br><i>(Honorary Secretary, ACEP, Karachi)</i>  | Member   |
| 7.  | Engr Ayaz Mirza<br><i>(Dy General Manager, KESC, Karachi)</i>  | Member   |
| 8.  | Engr. Shamshair Dad Khan<br><i>(Chief Engineer, WAPDA, Karachi)</i>  | Expert   |
| 9.  | Engr. Ejaz A. Khan<br><i>(Partner, NDC, Lahore)</i>  | Expert   |
| 10. | Engr Tafseer Ahmad Khan<br><i>(Director (Electrical), Pakistan Standards &amp; Quality Control Authority (PSQCA), Karachi)</i> | Expert   |
| 11. | Engr Mushtaq Mahmood<br><i>(Senior Adviser, ERRA, Islamabad)</i>   | Expert   |

## **PREFACE**

Pakistan Engineering Council the Statutory Regulatory body entrusted to regulate the engineering profession in Pakistan has undertaken among others, the standardization of country specific documents to regulate and streamline the procurement of engineering consultancy services and procurement of works. Standard Procedure for Pre-qualification of Constructors is one such document prepared by a team of experts comprising Employers, Constructors and Consultants. It is expected that use of this document will provide an equitable and just basis for pre-qualification of constructors for transparent bidding and award of construction contracts in line with the international practice and relevant PEC Bye-Laws thus minimizing ambiguities and likely contractual disputes.

Pakistan Engineering Council wishes to place on record its deep appreciation for the tremendous work done by the Standards and Quality Committee and M/s National Development Consultants (NDC) in finalizing this document. Various engineering organizations and departments are requested to use this document for pre-qualification of constructors. Any suggestions to improve this document are welcome which may please be addressed to:

Registrar  
Pakistan Engineering Council  
Ataturk Avenue (East)  
Sector G-5/2  
Islamabad

Tel # 92-51-2276225  
Fax # 92-51-2276224  
E-mail: registrar @ pec.org.pk

## **INSTRUCTIONS TO USERS OF THIS DOCUMENT**

The document includes the following:

1. Introduction
2. Invitation for Pre-qualification
3. Instructions to Applicants
4. Evaluation Criteria
5. Annexures

In the Invitation for Pre-qualification of Constructors, Instruction to Applicants and Letter of Application, the 'User' may make changes in the text only under some special circumstances. However blank spaces in the Invitation for Pre-qualification and Instructions to Applicants are required to be filled in by the Employer in accordance with the requirements, on tender to tender basis, before issuance of pre-qualification documents. Specific information required may be added/deleted in the Forms to Letter of Application.

Instructions to users to use the document and to evaluate the pre-qualification application are given herein-below:

### **A. Introduction**

The basic aim of pre-qualification is presented in Introduction, to avoid confusion of some Executing Agencies to consider enlistment and/or registration with departments and Pakistan Engineering Council as a substitution of pre-qualification. Therefore, the information listed in Introduction clarifies the difference between pre-qualification and enlistment/registration.

### **B. Invitation for Pre-qualification**

Although under blank spaces, in various sections of this document instructions to the user have been included to fill in. These instructions should be deleted in the document to be issued after completion. However, following additional procedure may be taken into account and kept in mind for completing or filling-in the blank spaces before the Invitation for Pre-qualification is issued to the prospective Applicants:

- i) Invitation for Prequalification Notice be advertized through on PEC & PPRA's Web site and other relevant/available forum for procurements estimated to cost more than Rs. Forty Thousand (40,000/-) and also through press when procurement is estimated to cost more than Rupees one million. The invitation shall be open to all applicants licensed by PEC in the respective category besides specific requirements of the User if included in the document.
- ii) Generally not less than six (6) weeks shall be provided for preparation/submission of applications by the applicants. However for large/complex projects the period may be extended upto twelve (12) weeks.
- iii) It is preferable to package a project in such a way so as to allow medium sized construction firms to bid. Also preference to provide benefit to local construction Industry in Pakistan shall always be considered. Therefore the Project, if it can be divided into packages, the User may do the same. However Employer/User may

*Standard Procedure for Pre-Qualification of Constructors*

decide the packages keeping in view of interfacing and co-ordination problems as a result of smaller packaging of a Project.

- iv) Under para 7 of Invitation for Pre-qualification, minimum requirements have to be specified. For guidance, the following may be considered; however the Employer/User can fix his own criteria depending upon nature, size and requirements of the specific projects. An example merely as guideline is given hereinafter for reference of users of this document.

a) General Experience

Sr. No.	Description	Marks Assigned	Explanation for Marks Obtained
a)	Projects of similar nature and complexity Completed in last ten years. (Each of min. 8-Storeyed Building Work) No Marks are awarded for works less than specified limits.	15	<ul style="list-style-type: none"> <li>• 12 Marks are given if the contractor has completed at least 3 projects of similar nature in last ten years.</li> <li>• For less than 3 projects completed use the following weightage. <math>12 \times (A/3)</math></li> <li>• For more than 3 projects but less than 6 projects completed use the following weightage. <math>12 + (A/6) \times 3</math></li> </ul> <p>A = No of projects of similar nature Completed in last ten years</p> <ul style="list-style-type: none"> <li>• Full Marks are given in case of 6 projects or more.</li> </ul>
b)	Projects of similar nature and complexity in-hand during last ten years. (Each of min. 8-Storeyed Building Work) No Marks are awarded for works less than specified limits.	10	<ul style="list-style-type: none"> <li>• 8 Marks are given if the contractor has 3 projects of similar nature in-hand.</li> <li>• For less than 3 projects in-hand use the following weightage. <math>8 \times (A/3)</math></li> <li>• For more than 3 projects but less than 6 projects in-hand use the following weightage. <math>8 + (A/6) \times 2</math></li> </ul> <p>A = No of projects of similar nature In-hand during last ten years</p> <ul style="list-style-type: none"> <li>• Full Marks are given in case of 6 projects or more.</li> </ul>
c)	Electrical works carried out during last five years by the Sub-Contractor/JV Partner.	5	<ul style="list-style-type: none"> <li>• 4 Marks are given if the contractor has completed at least 3 projects of similar nature in</li> </ul>

*Standard Procedure for Pre-Qualification of Constructors*

Sr. No.	Description	Marks Assigned	Explanation for Marks Obtained
			last five years. <ul style="list-style-type: none"> <li>• For less than 3 projects completed use the following weight age. <math>4 \times (A/3)</math></li> <li>• For more than 3 projects but less than 6 projects completed use the following weightage. <math>4 + (A/6) \times 1</math></li> </ul> A = No of projects of similar nature Completed in last five years <ul style="list-style-type: none"> <li>• Full Marks are given in case of 6 projects or more.</li> </ul>
d)	Enlistment record with Government Organizations & other agencies	5	<ul style="list-style-type: none"> <li>• 1 Mark for each enlistment up to maximum of five enlistments.</li> </ul>
<b>Total Marks Allocated</b>			<b>35</b>

**b) Personnel Capabilities**

Requirement of Employer/User will be varied from Project to Project. However following factors may be used as a guideline:

Sr. No.	Description	Marks Assigned	Explanation for Marks Obtained
i)	B.Sc Engineers registered with Pakistan Engineering Council (PEC)	9	<p><b><u>Experience (3-Marks) :</u></b></p> <ul style="list-style-type: none"> <li>• 3 Marks will be given if the individual experience of at least 4 no. of B.Sc Engineers (professional) is equal to 15 years or above.</li> <li>• For less than 4 no of B.Sc Engineers having individual experience of 15 years, marks will be given as per following formulas: = <math>(A/4) * 3</math> A = No. of Engineers having individual experience of 15 years or above.</li> </ul> <p><b><u>Strength of Engineers (6 Marks)</u></b></p>

*Standard Procedure for Pre-Qualification of Constructors*

Sr. No.	Description	Marks Assigned	Explanation for Marks Obtained
			<ul style="list-style-type: none"> <li>• 6 Marks will be given if the total no. of Engineers registered with PEC are 15 nos. or above.</li> <li>• For less than 15 no of B.Sc Engineers registered with PEC marks will be given as per following formulas: = <math>(A/15) * 6</math> A = No. of Engineers</li> </ul>
ii)	Associates Engineers (DAE)	6	<p><b><u>Experience (2-Marks) :</u></b></p> <ul style="list-style-type: none"> <li>• 2 Marks will be given if the individual experience of at least 8 no. of Associates Engineers (DAE) is equal to 10 years or above.</li> <li>• For less than 8 no of Associates Engineers (DAE) having individual experience of 10 years, marks will be given as per following formulas: = <math>(A/8) * 2</math> A = No. of DAE Engineers.</li> </ul> <p><b><u>Strength of Associate Engineers (4 Marks)</u></b></p> <ul style="list-style-type: none"> <li>• 4 Marks will be given if the total no. of Associate Engineers (DAE) are 20 nos. or above.</li> <li>• For less than 20 no of Associate Engineers marks will be given as per following formulas: = <math>(A/20) * 4</math> A = No. of Associate Engineers</li> </ul>
<b>Total Marks Allocated</b>			<b>15</b>

c). **Equipment Capability**

Critical equipment required for the Project shall be specified by the User/Employer under para 3.2.4 (a). High value equipment should be an option to purchase, lease or hire.

*Standard Procedure for Pre-Qualification of Constructors*

Sr. No.	Description	Marks Assigned	Explanation for Marks Obtained
1	Batching Plant (30cuM/hr Cap.)	10	<ul style="list-style-type: none"> <li>• 8 Marks for each equipment are given if the Contractor meets the minimum requirements given in the prequalification document for each item.</li> <li>• If the available quantity of each equipment is less than specified limit give weightage as. 8 x (A / Required Quantity)</li> <li>• If the available quantity of each equipment is more than the minimum equipment requirement full marks will be given.</li> <li>A = Available quantity of each equipment of each Item.</li> <li>• Total Marks = (Marks Obtained/120) * 20</li> </ul>
2	Concrete Pump	10	
3	Crane Mobile (30 Ton Cap.)	10	
4	Crane Tower (30 M Boom)	10	
5	Dumper Trucks	10	
6	Shower/ Loader/ Backhoe	10	
7	Steel cutting & Bending Machine	10	
8	Concrete Transit Mixer (6 cuM/hr)	10	
9	Cabin Hoist (1500 Kg Cap.)	10	
10	Air Compressor (15 HP Cap.)	10	
11	Form Work	10	
12	Scaffolding Pipe	10	
<b>Total Marks Allocated</b>			<b>20</b>

**d) Financial Soundness**

- For Financial Status assessment, the Applicants may be required to submit Audited financial statements for the last five years or any other document which verifies their Financial Status..
- Employer/User may amend para 3.2.5 of Instruction to Applicants in accordance with Project requirements and the minimum essential requirements mentioned in Invitation for Pre-qualifications.
- The following may be used merely as a guideline



*Standard Procedure for Pre-Qualification of Constructors*

Sr. No.	Description	Marks Assigned	Criteria for Marks Obtained
a)	Available Bank Credit Line	5	<ul style="list-style-type: none"> <li>• 3 Marks are given if the available bank credit line limit is equal to 500 Million.</li> <li>• For limit less than 500 Million, use following weightage <math>3 \times (A/500)</math></li> <li>• For the limit more than 500 million but less than 1000 million use following weightage <math>3 + (A/1000) \times 2</math></li> </ul> <p>A= Available Bank Credit Line Limit</p> <ul style="list-style-type: none"> <li>• Full Marks are given in case of limit is 1000 million or more.</li> </ul>
b)	Working Capital in last 3 years	5	<ul style="list-style-type: none"> <li>• 3 Marks are given if the available average working capital for last three years is equal to 500 Million.</li> <li>• For the capital less than 500 million use following weightage <math>3 \times (A/500)</math></li> <li>• For the capital more than 500 million but less than 1000 million use following weightage <math>3 + (500/A) \times 2</math></li> </ul> <p>A= Average working capital in last three years.</p> <ul style="list-style-type: none"> <li>• Full Marks are given in case of limit is 1000 million or more.</li> </ul>
c)	Registration with income tax department	5	<ul style="list-style-type: none"> <li>• No points will be given if income tax certificate is not attached and 5 points will be added in case of valid certificate.</li> </ul>
d)	Copy of Valid electrical license from Sub-Contractor/ JV Partner	5	<ul style="list-style-type: none"> <li>• No points will be given if license is not attached and 5 points will be added in case of valid license.</li> </ul>
e)	Litigation History in which Decision has been given against the firm(s)	5	<ul style="list-style-type: none"> <li>• In case the firm is involved in any litigation, no marks will be given and 5 points will be added in case affidavit of no litigation is attached.</li> </ul>
f)	Blacklisting from any agency	5	<ul style="list-style-type: none"> <li>• In case the firm is blacklisted, no Marks will be given and 5 points will be added in case affidavit by the company that it has not been black listed is attached.</li> </ul>
<b>Total Marks Allocated</b>			<b>30</b>

**C. Evaluation Criteria**

The Evaluation Criteria is based on the factors given in sub-paras of Instructions to Applicants and shall result in fail/pass on the basis of minimum prescribed requirements. The 'pass' Applicants should be allowed to participate in the Tender.

**D. Annexures**

Instructions to Employer/User have been included under blank spaces to fill-in. These should be deleted before issuance of document to the prospective Applicants.

## TABLE OF CONTENTS

	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
<b>1.0</b>	<b>INTRODUCTION.....</b>	<b>1</b>
	1.1 Advantages of Prequalification.....	1
	1.2 Recapitulation .....	1
<b>2.0</b>	<b>INVITATION FOR PREQUALIFICATION .....</b>	<b>2</b>
<b>3.0</b>	<b>INSTRUCTIONS TO APPLICANTS.....</b>	<b>4</b>
	3.1 Submission of Applications .....	4
	3.2 Qualification Criteria .....	5
	3.2.1 General.....	5
	3.2.2 General Experience.....	5
	3.2.3 Personnel Capabilities.....	6
	3.2.4 Equipment Capabilities.....	6
	3.2.5 Financial Position.....	6
	3.3 Joint Venture (JV).....	7
	3.4 Conflict of Interest .....	8
	3.5 Updating Prequalification Information .....	8
	3.6 Other Factors.....	8
<b>4.0</b>	<b>EVALUATION CRITERIA.....</b>	<b>10</b>
<b>ANNEXURES</b>		
<b>A.</b>	<b>Letter of Application.....</b>	<b>11</b>
	<b>Forms</b>	
	Application Form A-1. General Information.....	15
	Application Form A-2. General Experience Record .....	16
	Application Form A-3. Joint Venture Summary.....	17
	Application Form A-4. Particular Experience Record.....	18
	Application Form A-5. Details of Contracts of Similar Nature and Complexity .....	19
	Application Form A-6. Summary Sheet: Current Contract Commitments/ Works in Progress .....	20

*Standard Procedure for Pre-Qualification of Constructors*

<b>DESCRIPTION</b>	<b>PAGE NO.</b>
Application Form A-7. Personnel Capabilities.....	21
Application Form A-8. Candidate Summary .....	22
Application Form A-9. Equipment Capabilities .....	23
Application Form A-10. Financial Capability .....	24
Application Form A-11. Litigation History .....	26

## **1.0 INTRODUCTION**

### **1.1 Advantages of Prequalification**

Pre-qualification is an assessment made by the Employer, of the appropriate level of experience and capacity of firms expressing interest in undertaking a particular contract, before inviting them to bid.

Pre-qualification of constructors is very useful for the Employer (also to the constructors) to carry out selection of firms for award of contracts. The basic aim of the pre-qualification is intended to eliminate, early in procurement proceedings, Constructors that are not suitably qualified to perform the Contract. Also some times Constructors are reluctant to participate in procurement proceedings for high value Contracts, if the competitive field is too large and where they run the risk of having to compete with unrealistic tenders submitted by unqualified or disreputable Constructors. Furthermore, the Prequalification is the basic tool to:

- (i) Encourage realistic bids by the Bidders because they know that they are competing against qualified bidders who have cleared the minimum competence criteria;
- (ii) Assess the interest of the prospective bidders in the bidding process;
- (iii) Make any adjustments/modifications in the bidding documents if a pointer is available from the lack of interest by the prospective bidders applying for pre-qualification;
- (iv) Reduce the effort and so the time in evaluation of bids from un-qualified bidders;
- (v) Help the bidders to evaluate and take stock of their capability and consequently to form joint ventures with other firms;
- (vi) Reduce the problems associated with low priced bids from bidders of doubtful capability and;
- (vii) Help the bidders who are insufficiently qualified to avoid the expense of bidding.

### **1.2 Recapitulation**

To recapitulate the afore-given, the pre-qualification specifically means selection of competent bidders prior to issuance of the invitations to bid. It is required for large or complex works, in certain cases for custom designed equipment and specialized services. Pre-qualification is also helpful for providing a chance for selection of smaller constructors under “Slice and Package” system of tendering. Pre-qualification is also useful in saving the employers from numerous un-necessary problems.

## 2.0 INVITATION FOR PRE-QUALIFICATION

Date: \_\_\_\_\_ (Notice issue date)

Contract No.(s) \_\_\_\_\_

1. The \_\_\_\_\_ (Name of the Executing Agency/Department) has been entrusted by the Government of Pakistan/Government of Province/Autonomous/Semi-Autonomous body and provided funds to finance the cost of \_\_\_\_\_ (Name of the Project) to eligible payments under the contract(s) for which this Invitation for Pre-qualification is issued.
2. The \_\_\_\_\_ (Name of the Executing Agency/Department) hereinafter the Employer intends to prequalify constructors for the following Works under this project: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (General Project Description which should contain sufficient detail to identify the location, nature and complexity of the works).
3. It is expected that Invitation to Bid will be issued by \_\_\_\_\_ (Month/Year).
4. Pre-qualification is open to constructors/joint ventures of constructors who are registered with PEC in Category (specify) for Construction and Operation of Engineering Works, described in para 2 mentioned hereinabove. Applications may be submitted for pre-qualification for the above Works.
5. Appropriate category PEC registered constructors may obtain the prequalification documents from the office of the Employer, at \_\_\_\_\_ or may request to send the same through mail at the specified address \_\_\_\_\_ (Name of the Employer, full address including telephone, fax numbers, from where the documents are available).
6. The request must clearly state "Request for Pre-qualification Documents" for \_\_\_\_\_ (Name of the Project). The documents are available for a non refundable fee of \_\_\_\_\_ (Amount to cover actual cost for production and mailing in Rs./equivalent foreign currency). The documents if requested by mail will be promptly dispatched by registered mail for which cost of mail i.e. \_\_\_\_\_ will be borne by the Applicant, however, under no circumstances the Employer will be responsible for late delivery or loss of the documents so mailed.
7. A minimum requirement for pre-qualification will be to have successfully completed \_\_\_\_\_ (Minimum essential requirement to be depicted as prescribed in the Instructions to Applicants, in terms of projects/contracts).

*Standard Procedure for Pre-Qualification of Constructors*

8. Applications for Pre-qualification must be delivered in sealed envelopes by hand or through registered mail, to:-

\_\_\_\_\_ (Address)

not later than: \_\_\_\_\_  
\_\_\_\_\_ (Time/Date which should normally be more than six weeks  
and preferably 8/9 weeks)

and be clearly marked “Application for Pre-qualification for:

\_\_\_\_\_”  
\_\_\_\_\_ {Name of the Project and the Contract Name (s) and  
Number(s)}.

9. The \_\_\_\_\_ (Name of the Employer) reserves the right to accept or reject late applications.
10. Applicants will be informed, in due course, of the result of the evaluation of applications. Only the firms of constructors and joint ventures prequalified under this process will be invited to bid.

### 3.0 INSTRUCTIONS TO APPLICANTS

#### 3.1 Submission of Applications

3.1.1 Applications for pre-qualification (one original and ----- copies) must be received in sealed envelopes to be delivered by hand or through registered mail to:-

\_\_\_\_\_  
\_\_\_\_\_ [ Address]

not later than

\_\_\_\_\_ [ date which should allow a time period of a minimum of 6 weeks, preferably 8/9 weeks or even more if so warranted by size and complexity of the project].

and be clearly marked “Application for Pre-qualification” for \_\_\_\_\_  
\_\_\_\_\_ [ Name of the Project and contract(s) and number(s) of contract(s) ]. The Employer reserves the right to accept or reject the late applications.

3.1.2 The name and mailing address of the Applicant shall be clearly marked left hand on the envelope.

3.1.3 The applications shall be prepared in the English language. Information in any other language shall be accomplished by its translation in English. Employer reserves the rights for Pre-qualification incase of non-compliance of the above requirement.

3.1.4 The Applicants must respond to all questions and provide complete information as advised in this document. Any lapses to provide essential information may result in dis-qualification of the Applicant.

3.1.5 The clarification meeting (*will be*) (will not be)\* held. The time, date and place of the meeting is as follows, where all prospective Applicants may request clarification about the project and the evaluation criteria  
(Delete if not applicable)

Location: \_\_\_\_\_  
Time: \_\_\_\_\_  
Date: \_\_\_\_\_

\*Clarification is required may be asked by post/other communication means



### 3.2 Qualification Criteria

#### 3.2.1 General

Pre-qualification will be based on all the criteria given in succeeding paras 3.2.2 to 3.2.6 regarding the Applicant's Financial Soundness, Experience Record, Personnel Capabilities and Equipment Capabilities as demonstrated by the Applicant's responses in the forms attached to this letter. The Employer reserves the right to waive minor deviations, if these don't materially affect the capability of an applicant to perform the contract. Sub-contractor's experience and resources shall not be taken into account in determining the Applicant's compliance with the qualifying criteria. However, Joint Venture experience & resources shall be considered. Consortium or Association of firms will be considered for similar treatment as in case of Joint Venture. The procuring agency shall evolve a criteria keeping in view the complexity of the Project. A general criteria merely as a model is provided for reference of the drafters of the Prequalification Document as follows:

Sr. No.	Category	Weightage/Marks
1.	Financial Soundness	30
2.	Experience Record	35
3.	Personnel Capabilities	15
4.	Equipment Capabilities	20
	<b>Total:</b>	<b>100</b>

*Note:* Prequalification status shall be decided on the basis of Pass/Fail basis. The applicant must secure at least 50% score in each category.

The further detailed criteria for each category may be developed as given under the each head as follows:

#### 3.2.2 General Experience

Credit Marks for experience shall be awarded on the basis of following qualifications:

Sr.No.	Description	Maximum Points
i)	Projects of similar nature and complexity completed over latest 10 years.	15
ii)	Projects of similar nature and complexity in hand.	10
iii)	Experience of Works) related to project but not basic part.	5
iv)	Status of enlistment with Government Organizations and other agencies.	5
	<b>Sub-total:</b>	<b>35</b>

**3.2.3 Personnel Capabilities**

Credit Marks shall be awarded under this category using the following criteria:

Sr.No.	Description	Maximum Points
i)	Graduate Engineers Registered with PEC a) Number of Engineers b) Experience of Engineers in number of years	6 3
ii)	Number of Diploma Engineers in Employment of the Firm a) Number of Engineers b) Experience of Engineers in number of Years.	4 2
<b>Sub-total:</b>		<b>15</b>

**3.2.4 Equipment Capabilities**

Credit Marks shall be granted on the basis of the following criteria for various kinds of equipment relevant for the Project:

Sr.No.	Equipment Type and Characteristics	Maximum Marks
1.	List relevant equipment and Assign Marks	
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
<b>Sub-total:</b>		<b>20</b>

**3.2.5 Financial Position**

Credit Marks shall be awarded on the basis of the following criteria:

Sr.No.	Description	Maximum Marks
i)	Available Bank Credit Line	5

*Standard Procedure for Pre-Qualification of Constructors*

<b>Sr.No.</b>	<b>Description</b>	<b>Maximum Marks</b>
ii)	Working Capital in last 3 years.	5
iii)	Registration with Income Tax Department	5
iv)	Litigation History where decision went against the Firm.	5
v)	Blacklisting from any Agency	5
vi)	Valid Licence for other related items of Work	5
	<b>Sub-total:</b>	<b>30</b>

### **3.3 Joint Venture (JV)**

3.3.1 Joint Venture must comply with the following requirements:-

- a) Following are minimum qualification requirements:-
  - i) The lead partner shall meet not less than \_\_\_\_\_ [ *Assess and insert a figure which is not less than 40 percent*] percent of all qualifying criteria given in paras 3.2 and 3.5 heretofore.
  - ii) Each of the partners shall meet not less than \_\_\_\_\_ [ *Assess and insert a figure which should not be less than 25 percent*] percent of all the qualifying criteria given in paras 3.2 and 3.5 heretofore.
  - iii) The joint venture must collectively satisfy the criteria of paras 3.2, 3.3 and 3.4, for which purpose the relevant figures for each of the partners shall be added together to arrive at the JV's total capacity. Individual members must satisfy each of the requirements of paras 3.5 and 3.6 heretofore.
- b) Any change in a prequalified JV after prequalification, shall be subject to the written approval of the Employer prior to the deadline for submission of bids. Such approval may be denied if:-
  - i) Partner(s) withdraw from a JV and remaining partners do not meet the qualifying requirements;
  - ii) The new partners to a JV are not qualified individually or as another JV; or
  - iii) In the opinion of the Employer, a substantial reduction in competition would result.
- c) Bid shall be signed by all members in the JV so as to legally bind all

partners, jointly and severally, and any bid shall be submitted with a copy of the JV agreement providing the joint and several liability with respect to the contract.

- 3.3.2 The prequalification of a JV does not necessarily prequalify any of its partners individually or as a partner in any other JV or association. In case of dissolution of a JV, each one of the constituent firms may prequalify if they meet all the prequalification requirements and any partner of J.V has requested/shall request for the same and then his prequalification shall be subject to the written approval of the Employer.

### **3.4 Conflict of Interest**

- 3.4.1 The Applicant (including all members of a JV) must not be associated, nor have been associated in the past, with the consultant or any other entity that has prepared the design, specifications, and other prequalification and bidding documents for the project, or was proposed as Engineer for the contract, over the last five years. Any such association may result in disqualification of the Applicant.

### **3.5 Updating Prequalification Information**

- 3.5.1 Bidders shall be required to update the financial, personnel and equipment information used for prequalification at the time of submitting their bids, to confirm their continued compliance with the qualification criteria and verification of the information provided at the time of prequalification. A bid shall be rejected if the Applicant's qualification thresholds are no longer met at the time of bidding.

### **3.6 Other Factors**

- 3.6.1 Only firms and JVs that have been prequalified under this procedure shall be invited to bid. A qualified firm or a member of a qualified JV may participate only in one bid for the contract. If a firm submits more than one bid, singly or as a JV, all bids including that bidder will be rejected. This rule will not apply in respect of bids which include specialist sub-contractors who are used by more than one bidder.
- 3.6.2 The Employer reserves the right to:-
- a) Amend the scope and value of any contract(s) to be bid, in which event the bidder(s) will only bid among those prequalified bidders who meet the requirements of the contract(s) as amended. However the Employer has to review the disqualified bids who originally do not meet the specified criteria for Pre-qualification.
  - b) Reject or accept any application; and

*Standard Procedure for Pre-Qualification of Constructors*

- c) Cancel the prequalification process and reject all applications.

The Employer shall neither be liable for any such actions nor be under any obligation to inform the Applicant of the grounds for rejection, however, may be debriefed if solicited.

- 3.6.3 Applicants will be informed in writing by fax or mail within \_\_\_\_\_ [ *Number of days to vary between 42-84 days i.e. the time required to complete prequalification process* ] days of the date for submission of applications (para 8 of Chapter 2.0, Invitation for Prequalification) of the result of their applications and may be debriefed if solicited.

## **4.0 EVALUATION CRITERIA**

Applicants meeting the minimum requirements mentioned in Para 3.2 besides other factors shall be considered for pre-qualification. No compromise shall be made on minimum requirements of 50% score in each category.

**Annex-A**

# Letter of Application

*[Letterhead paper of the Applicant, or partner responsible for a joint venture, including full postal address, telephone no., fax no., telex no., cable and e-mail address]*

Date:.....

To: .....

.....  
*[ name and address of the Employer]*

Sirs,

1. Being duly authorized to represent and act on behalf of ..... (hereinafter “the Applicant”), and having reviewed and fully understood all the prequalification information provided, the undersigned hereby apply to be prequalified as a bidder for the following contract(s) under the .....*[ name of the Project to be listed by the User/Employer]* project:

<b>Contract No.</b>	<b>Description of Contract</b>
1.	
2.	
3.	
4.	
5.	

*{ Note: The Applicant is to delete, any contract for which he does not wish to prequalify, and sign and date the deletion. If the prequalification refers to only one contract, delete this note and spaces for additional contract references}.*

*Standard Procedure for Pre-Qualification of Constructors*

2. Attached to this letter are copies of original documents defining<sup>1</sup>:
  - (a) the Applicant's legal status;
  - (b) the principal place of business; and
  - (c) the place of incorporation (for applicants who are corporations); or  
  
the place of registration and the nationality of the owners (for applicants who are partnerships or individually-owned firms).
3. Your Agency and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical aspects. This Letter of Application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and requested by yourselves or the authorized representative to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the Applicant.
4. Your Agency and its authorized representatives may contact the following persons for further information<sup>2</sup>, if needed.

<b>General and Managerial Inquiries</b>	
Contact 1	Telephone 1
Contact 2	Telephone 2

<b>Personnel Inquiries</b>	
Contact 1	Telephone 1
Contact 2	Telephone 2

---

<sup>1</sup>  
*For applications by joint ventures, all the information requested in the prequalification documents is to be provided for the joint venture, if it already exists, and for each party to the joint venture separately. The lead partner should be clearly identified. Each partner in the joint venture shall sign the letter.*

<sup>2</sup>  
*Application by joint ventures should provide information on a separate sheet information for each party to the application.*



*Standard Procedure for Pre-Qualification of Constructors*

<b>Technical Inquiries</b>	
Contact 1	Telephone 1
Contact 2	Telephone 2

<b>Financial Inquiries</b>	
Contact 1	Telephone 1
Contact 2	Telephone 2

5. This application is made with the full understanding that:
- (a) bids by prequalified applicants will be subject to verification of all information submitted for prequalification at the time of bidding;
  - (b) your Agency reserves the right to:
    - (i) amend the scope and value of any contract under this project; in such event bids will only be called from prequalified bidders who meet the revised requirements; and
    - (ii) reject or accept any application, cancel the prequalification process, and reject applications; and
  - (c) your Agency shall not be liable for any such actions and shall be under no obligation to inform the Applicant of the grounds for actions at 5(b) hereabove.
  - (d) your Agency shall not be liable for consequence of, and shall be under no obligation to inform the applicant of the grounds for, actions taken under para 5(b) hereabove.

**Applicants who are not joint ventures should delete para 6&7 and initial the deletions.**

6. Appended to this application, we give details of the participation of each party, including capital contribution and profit/loss agreements, to the joint venture or association. We also specify the financial commitment in terms of the percentage of the value of the (each) contract, and the responsibilities for execution of the (each) contract .
7. We confirm that in the event that we bid, that bid as well as any resulting contract will be.
- (a) signed so as to legally bind all partners, jointly and severally; and
  - (b) submitted with a Joint Venture agreement providing the joint and several liability of all partners in the event the contract is awarded to us.

*Standard Procedure for Pre-Qualification of Constructors*

8. The undersigned declare that the statements made and the information provided in the duly completed application are complete, true, and correct in every detail.

Signed	Signed
Name	Name
For and on behalf of (name of Applicant or lead partner of a joint venture)	For and on behalf of (name and signature of other partners of the joint venture)

## General Information

*All individual firms and each partner of a joint venture applying for prequalification are requested to complete the information in this form. Nationality information is also to be provided for foreign owners or applicants who are forming part of the Joint Ventures as required under the PEC Bye-Laws as a Partnership/Joint Venture.*

*Where the Applicant proposes to use named subcontractors for critical components of the works, or for work contents in excess of 10 percent of the value of the whole works, the following information should also be supplied for the specialist subcontractor(s).*

1.	Name of Firm	
2.	Head Office Address	
3.	Telephone	Contact Person: Name: Title:
4.	Fax	Telex
5.	Place of Incorporation/Registration	Year of incorporation/registration

<b>NATIONALITY OF OWNERS</b>		
	<b>NAME</b>	<b>NATIONALITY</b>
1.		
2.		
3.		
4.		
5.		

Application Form A-2

Page \_\_\_ of \_\_\_ Pages

## General Experience Record

Name of Applicant or partner of a joint venture
---

*All individual firms and all partners of a joint venture are requested to complete the information in this form. The information supplied should be the annual turnover of the Applicant (or each member of a joint venture), in terms of the amounts billed to clients for each year for work in progress or completed over the past five years.*

*Use a separate sheet for each partner of a joint venture.*

<b>Annual Turnover (Construction only)</b>		
<b>Year</b>	<b>Turnover (in actual currency)</b>	<b>Equivalent Rupees in Millions.</b>
1.		
2.		
3.		
4.		
5.		

## Joint Venture Summary

Names of all Partners of a Joint Venture	
1. Lead Partner	
2. Partner	
3. Partner	
4. Partner	
5. Partner	
6. Partner	

Total value of annual construction turnover, in terms of work billed to clients,

Annual Turnover Data (Construction only; Equivalent in Pak Rupees, Millions)						
Partner	Form A-2 Page No.	Year 1	Year 2	Year 3	Year 4	Year 5
1. Lead Partner						
2. Partner						
3. Partner						
4. Partner						
5. Partner						
6. Partner						
<b>Total:</b>						

Application Form A-4

Page \_\_\_ of \_\_\_ Pages

## Particular Experience Record

<i>Name of Applicant or partner of a joint venture</i>
--

*To prequalify, the Applicant shall be required to pass the specified requirements applicable to this form, as set out in the : Instructions to Applicants”.*

*On a separate page, using the format of Application Form A-5, each applicant or partner of a Joint Venture is required to list all contracts of a value equivalent to Pak Rs.-(User/Employer to provide the amount) million, of a similar nature and complexity to the contract for which the Applicant wishes to qualify, undertaken during the last five years<sup>1</sup>. The information is to be summarized, using Application Form A-5, for each contract completed or under execution by the Applicant or by each partner of a Joint Venture.*

*Where the Applicant proposes to use named subcontractor(s) for critical components of the works, or for work contents in excess of 10 percent of the value of the whole works, the information in the afore-mentioned forms should also be supplied for each specialist subcontractor.*

---

<sup>1</sup>

*Where applications are being invited for a number of contracts, suitable wording should be introduced, to allow applicants to apply for individual contracts or groups of contracts (slice and package contracts).*

## Details of Contracts of Similar Nature and Complexity

*Name of Applicant or partner of a joint venture*

Use a separate sheet for each contract.

1.	Name of Contract
	Country
2.	Name of Employer
3.	Employer Address .....
4.	Nature of works and special features relevant to the contract for which the Applicant wishes to prequalify ..... .....
5.	Contract Role (Tick One) (a) Sole Contractor      (b) Sub- Contractor      (c) Partner in a Joint Venture
6.	Value of the total contract (in specified currencies) at completion, or at date of award for current contract Currency.....      Currency.....      Currency.....
7.	Equivalent in Pak/Rs.
8.	Date of Award
9.	Date of Completion
10.	Contract Duration (Years and Months) _____ Years      _____ Months
11.	Specified Requirements <sup>1</sup> ..... ..... .....

---

<sup>1</sup>  
*Insert any specific criteria required for particular operations, such as annual volume of earthmoving, underground excavation, or placing concrete etc.*

--	--

Application Form A-6

Page \_\_\_ of \_\_\_ Pages

## Summary Sheet: Current Contract Commitments/Works in Progress

<i>Name of Applicant or partner of a joint venture</i>
--

*Applicants and each partner to an application should provide information on their current commitments on all contracts that have been awarded, or for which a letter of intent or acceptance has been received, or for contracts approaching completion, but for which substantial Completion Certificate has yet to be issued.*

<b>Name of Contract</b>	<b>Value of Outstanding work (Equivalent Pak Rs. Millions)</b>	<b>Estimated Completion Date</b>
1.		
2.		
3.		
4.		
5.		
6.		



## Personnel Capabilities

<i>Name of Applicant</i>
--------------------------

*For specific positions essential to contract implementation, Applicants should provide the names of at least two candidates qualified to meet the specified requirements stated for each position. The data on their experience should be supplied on separate sheets using one Form for each candidate (Application Form A-8).*

1.	Title of Position
	Name of Prime Candidate
	Name of Alternate Candidate
2.	Title of Position
	Name of Prime Candidate
	Name of Alternate Candidate
3.	Title of Position
	Name of Prime Candidate
	Name of Alternate Candidate
4.	Title of Position
	Name of Prime Candidate
	Name of Alternate Candidate

Application Form A-8

Page \_\_\_ of \_\_\_ Pages

## Candidate Summary

<i>Name of Applicant</i>
--------------------------

<b>Position</b>		<b>Candidate</b> [Tick appropriate one] <input type="checkbox"/> Prime <input type="checkbox"/> Alternate
Candidate information	1. Name of Candidate	2. Date of Birth
	3. Professional Qualification	
Present employment	4. Name of employer	
	Address of employer	
	Telephone	Contact (manager/personnel officer)
	Fax	Telex
	Job title of candidate	Years with present employer

*Summarize professional experience over the last 20 years, in reverse chronological order. Indicate particular technical and managerial experience relevant to the Project.*

<b>Month/ Dates/Years</b>		<b>Company / Project / Position / Relevant technical and management experience</b>
<b>From</b>	<b>To</b>	

## Equipment Capabilities

<i>Name of Applicant</i>
--------------------------

*The Applicant shall provide adequate information to demonstrate clearly that he has the capability to meet the requirements for each and all items of equipment listed in the Instructions to Applicants. A separate Form shall be prepared for each item of equipment listed in para 3.2.4 of the Instructions to Applicants, or for alternative equipment proposed by the Applicant.*

Item of Equipment		
Equipment information	1. Name of manufacturer	2. Model and power rating
	3. Capacity	4. Year of manufacture
Current status	5. Current location	
	6. Details of current commitments	
Source	7. Indicate source of the equipment  <input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased	

*Omit the following information if it is owned by the Applicant or partner.*

Owner	8. Name of owner	
	9. Address of owner	
	Telephone	Contact name and title
	Fax	Telex
Agreement	Details of rental/lease specific to the Project.	

## Financial Capability

***Name of Applicant or Partner of a Joint Venture***

*Applicants, including each partner of a joint venture, should provide financial information to demonstrate that they meet the requirements stated in the Instructions to Applicants. Each applicant or partner of a joint venture must fill-in this form. If necessary, use separate sheets to provide complete banker information. A copy of the audited balance sheets should be attached.*

<b>Banker</b>	Name of banker	
	Address of banker	
	Telephone	Contact name and title
	Fax	Telex

*Summarize actual assets and liabilities in Pak Rupees (Equivalent at the current rate of exchange at the end of each year) for the previous five years, based upon known commitments, projected assets and liabilities in pak Rupees equivalent for the next two years.*

<b>Financial information in Pak Rs. or equivalent</b>	<b>Actual: previous five year</b>					<b>Projected: next two years</b>	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1. Total assets							
2. Current assets							
3. Total liabilities							
4. Current liabilities							
5. Profits before taxes							
6. Profits after taxes							

*Standard Procedure for Pre-Qualification of Constructors*

*Specific proposed sources of financing to meet the cash flow of the Project, net of current commitments (Instructions to Applicants, para 3.2.5).*

<b>Source of financing</b>	<b>Amount (Pak Rs. or equivalent)</b>
1.	
2.	
3.	
4.	

*Attach audited financial statements for the last five years (for individual applicant or each partner of joint venture).*

*Firms owned by individuals, and partnerships, may submit their balance sheets certified by a registered accountant, and supported by copies of tax returns, if audits are not required by the laws of their countries of origin in case of foreign firms.*

## Litigation History

*Name of Applicant or Partner of a Joint Venture*

*Applicants, including each of the partners of a joint venture, should provide information on any history of litigation or arbitration resulting from contracts executed in the last five years or currently under execution (Instructions to Applicants, para 3.2.6). A separate sheet should be used for each partner of joint venture.*

<b>Year</b>	<b>Award FOR or AGAINST Applicant</b>	<b>Name of client, cause of litigation, and matter in dispute</b>	<b>Disputed amount (current value Pak Rs. or equivalent)</b>