

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 Securities and Exchange Commission of Pakistan (SECP) has been entrusted with the execution of project for the construction of multi-storied office building to eligible payments under the contract(s) for which this Invitation for Pre-qualification is issued.
2. The Securities and Exchange Commission of Pakistan (SECP) hereinafter the Employer intends to prequalify constructors for the following Works under this project: **Construction of Multi-storeid office building having covered area of 70,000 approx. G-81,Mauve Area, Islamabad.**
3. It is expected that Invitation to Bid will be issued by July/August 2015.
4. Pre-qualification is open to constructors/joint ventures of constructors who are registered with PEC in Category C-3 and above 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 **Securities and Exchange Commission of Pakistan**, 4th Floor, NICL Building, 63 Jinnah Avenue, Blue Area, Islamabad. or may request to send the same through mail at the specified address.
6. The request must clearly state “Request for Pre-qualification Documents” for **Construction of Multi-storeid office building having covered area of 70,000 approx. G-81,Mauve Area, Islamabad.** The documents if requested by mail will be promptly dispatched by registered mail for which cost of mail 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 three Jobs of similar nature.
8. Applications for Pre-qualification must be delivered in sealed envelopes by hand or through registered mail, to:-

M. Ubaidullah Khalid
Securities and Exchange Commission of Pakistan,
4th Floor, NICL Building, 63 Jinnah Avenue, Blue Area,
Islamabad.

not later than: **Date: February 06, 2015**
Time: 1500 Hrs

and be clearly marked “**Application for Pre-qualification for: Construction of Multi storeid office building in G-8/1, Mauve Area Islamabad**”.

9. SECP 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 one copy) must be received in sealed envelopes to be delivered by hand or through registered mail to:-

M. Ubaidullah Khalid
Securities and Exchange Commission of Pakistan,
4th Floor, NICL Building, 63 Jinnah Avenue, Blue Area,
Islamabad.

not later than

Date: February 06, 2015
Time: 1500 Hrs

and be clearly marked “**Application for Pre-qualification for Construction of Multi-storeid office building in G-8/1, Mauve Area Islamabad.**”

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 Clarification if 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.

3.2.2 General Experience

The applicant must meet the following minimum criteria:

- a) Average annual turnover which is also turned as income from contracting revenue and is defined as billing for works in progress and completed over the last five years costing Rs.300 Million or more of projects.
- b) Successful experience as prime contractor in the execution of atleast on to three projects of a nature and complexity comparable to the proposed contractor(s) within the last five years. This experience should include minimum of Rs. 100 Million construction work per year of value of executed.

3.2.3 Personnel Capabilities

The applicant must have in his employment suitability qualified personnel to fill the following key management and specialist positions. The applicant will supply information on a prime and an alternate candidate for each position (both should meet the specified experience requirements)

Position	Total Experience (Years)	In Similar Works (Years)	As Manager of Similar Works (Years)
1. Project Manager (part time) half day	10-15		
2. Assistant Project Manager (full time)	5-8		
3. Planning Engineer (part time) ¼ day	3-5		
4. Electrical Engineer (full time)	6-10		

5. Health Safety and environmental engineer (part time)	3-5		
6. Quantity Survey (full time)	8-10		
7. Site Engineers (full time) 2 Nos	5-8		

3.2.4 Equipment Capabilities

- a) The applicant should own , or have assure access to within (through rented, lease, purchase agreement or other means) the following key items of equipment (limited to only major items of equipment) in full working order, and must demonstrate that based on known commitments, these will be avialble for deployment on the proposed contract or works. The applicant may also list alternative equipment which he would propose for the contract together with an explanation of the alternate proposal.

b)

Sr.No	Equipment type and Characteristics	Minimum Number required
1.	Theodolite and leveling instrument	1 each
2.	Mortar Vehicle	2 No.
3.	Steel/slip forms	45,000 sft
4.	Scaffolding pipes	25,000 Rft
5.	clamps	30,000 No.
6.	Hoist 50'	2 No.
7.	Concrete mixer	2 No.
8.	Plate compactor	2 No.
9.	Steel bar cutting and bending machine	1 No.
10.	Computer(p4)	2 No.
11.	Printers	2 No.
12.	Photocopier	1 No.
13.	Fax Machine	1 No.
14.	Transit Mixer on hire	5 No.
15.	Batching Plant 35cm/hr on hire	1 No.
16.	Concrete pump on hire	1 No.
17.	Water pump	2 No.

3.2.5 Financial Position

- 3.2.5.1 The applicant shuld demonstrate that he has access to, or have available to liquid assets, unencumbered real assets, lines of credit and other financial means sufficient to meet the construction cashflow for the execution of works. Applicant's commitments for other onging contracts shall also be considered.

- 3.2.5.2 The audited balance sheets for the past five years should demonstrate the soundness of the applicant's financial position, showing long term profitability. Where necessary, the employer will make enquiries with applicant's banker.

3.2.6 Litigation History

The applicant should provide accurate information on any litigation or arbitration resulting from contracts completed or under execution for the last five years. A consistent history of award against the applicant or any partner of a Joint Venture may result in rejection of the application.

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 40% percent of all qualifying criteria given in paras 3.2 and 3.5 heretofore.
 - ii) Each of the partners shall meet not less than 25% 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
- 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 30 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 key personnel, academic qualification and experience. History of excessive contract arbitrations and litigation resulting in decision against them will be considered sufficient grounds for disqualification.

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: **M. Ubaidullah Khalid**
Securities and Exchange Commission of Pakistan
4th Floor, NICL Building, 63 Jinnah Avenue, Blue Area,
Islamabad
[Tel: 051-9207091-4](tel:051-9207091-4) (Ext-107)

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 contract for construction , completion and remedying defect during maintenance period.
2. Attached to this letter are copies of original documents defining:
 - (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 information¹, if needed.

General and Managerial Inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

Personnel Inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

Technical Inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

Financial Inquiries	
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

¹
Application by joint ventures should provide information on a separate sheet information for each party to the application.

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.
8. We confirm that we are enclosing required valid photocopy of registration with Pakistan Engineering Council, Audited & Balance Sheets for past five years, performance certificates, work order of works in hand, Affidavit confirming not balck listed on any work, no going litigation and registration with other departments if any.
9. 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

NATIONALITY OF OWNERS		
NAME		NATIONALITY
1.		
2.		
3.		
4.		
5.		

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.

Annual Turnover (Construction only)		
Year	Turnover (in actual currency)	Equivalent Rupees in Millions.
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						
Total:						

Particular Experience Record

Name of Applicant or partner of a joint venture

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. 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.

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 ¹

1

Insert any specific criteria required for particular operations, such as annual volume of earthmoving, underground excavation, or placing concrete etc.

Summary Sheet: Current Contract Commitments/Works in Progress

Name of Applicant or partner of a joint venture

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.

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

Personnel Capabilities

Name of Applicant

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

Candidate Summary

Name of Applicant

Position		Candidate [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.

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

Equipment Capabilities

Name of Applicant

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
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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.

Banker	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.

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

**The professional firm of Architects is exemp from income tax. The tax is paid by partners individually.

Specific proposed sources of financing to meet the cashflow of the project, net of current commitments.

Source of financing	Amount (Pak Rs. or equivalent)
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.

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

D:\pec-standards guidelines for Prequalification of Constructors

Performance Certificate (A-12)

Name of Employer

Name of Project

Name of Consultnat (If Employed)

Starting Date

Original Completion Date

Actual Completion Date

Delay Period

Liquidated Damages

Original Contract Value

Value of work done upto final bill

Engineers employed during the execution of work
(Name including Father's name and PEC Registration No.)

- a.
- b.
- c.
- d.

Quality of Work Completed with performance and remarks by employer

Contractor
(Name of firm and category with official seal)
(Signatures of Chief Executive)

Employer
(Signature, Name and official seal)