

# National Prequalification System for Civil (Road and Bridge) Construction

Guidelines

Transport for NSW | December 2023

This page is left blank.

# Contents

<b>1</b>	<b>Introduction.....</b>	<b>5</b>
1.1	Background .....	5
1.2	Scope .....	5
1.3	Applications .....	6
1.4	Mutual Recognition.....	6
<b>2</b>	<b>Prequalification Categories and Financial Levels .....</b>	<b>6</b>
2.1	Overview.....	6
2.2	Specialist Categories.....	7
2.3	Financial Levels.....	10
<b>3</b>	<b>Prequalification Requirements .....</b>	<b>10</b>
3.1	General.....	10
3.2	Full Prequalification .....	11
3.3	Conditional Prequalification.....	11
3.4	Unincorporated Joint Ventures.....	11
3.5	Overseas Contractors .....	11
3.6	Local Government Councils .....	12
3.7	Exclusions .....	13
<b>4</b>	<b>Assessment Criteria.....</b>	<b>13</b>
4.1	Technical Capability .....	13
4.2	Financial Capacity .....	13
<b>5</b>	<b>Assessment Process .....</b>	<b>14</b>
5.1	Assessment of Applications .....	14
5.2	Notification.....	14
5.3	Upgrading Prequalification Status .....	14
5.4	Cost of Assessment.....	15
<b>6</b>	<b>Maintenance of Prequalification Status .....</b>	<b>15</b>
6.1	General.....	15
6.2	Provision of Updated Information.....	15
6.3	Prequalification Status.....	16
6.4	Show Cause Notice .....	16
6.5	Suspension.....	17
6.6	Downgrading .....	17
6.7	Cancellation.....	17
6.8	Reviews .....	18
6.9	Appeals.....	18
6.10	Cost of Reviews and Appeals .....	18
<b>7</b>	<b>Tendering as a Prequalified Contractor .....</b>	<b>19</b>
7.1	General.....	19
7.2	Unincorporated Joint Ventures.....	19
7.3	Prequalification Checks Prior to Awarding of a Contract .....	19
<b>8</b>	<b>Terms and Conditions of Prequalification .....</b>	<b>20</b>
8.1	General.....	20
8.2	No Guarantee of Work .....	20
8.3	Application Requirements .....	20
8.4	Confidentiality .....	20
8.5	Change of Circumstances .....	21
8.6	Governing Law .....	21
8.7	Applicant's Undertaking.....	21
8.8	Other TfNSW System Contract Requirements.....	21

<b>9</b>	<b>Definitions and Interpretation .....</b>	<b>22</b>
<b>10</b>	<b>Appendix A – Guidance for the Applicable Road and Bridge Prequalification Category .....</b>	<b>23</b>
<b>11</b>	<b>Appendix B – Assessment Criteria.....</b>	<b>29</b>

# 1 INTRODUCTION

## 1.1 BACKGROUND

Austrroads has developed the National Prequalification System (NPS) to create a harmonised framework for roadworks and bridgeworks construction contracts. Companies wishing to submit tenders to Australian Road Agencies for these contracts must be prequalified under the NPS. Transport for NSW (TfNSW) is a participant in the NPS.

The key features of the NPS include:

- consistent eligibility requirements and prequalification categories across Participating Agencies;
- a company that is prequalified in one jurisdiction may have that prequalification recognised by other Participating Agencies;
- minimisation of unique localised systems and requirements;
- consistent contractor performance reporting and sharing of this information across road agencies; and
- the promotion of best practice in the road and bridge construction industry.

Prequalification consists of a continuous process of:

- an initial assessment of a contractor's capabilities at the time of lodgement of an Application (including its operational management systems);
- further financial and/or technical checks during the tender assessment process, before a contract is awarded;
- assessment of a contractor's performance in a contract, during and at the completion of contracts, and at other times when a review may be warranted;
- periodic review of financial accounts as appropriate;
- review of the technical capabilities after any significant changes within the company; and
- three yearly renewal via the submission of a new application.

Further information about the prequalification system may be obtained from:

<http://www.austrroads.com.au/road-construction/approved-contractors>.

To access the register of prequalified companies, refer to:

<http://www.austrroads.com.au/road-construction/approved-contractors/pre-qualified-contractors>.

## 1.2 SCOPE

Prequalification is a mandatory requirement for:

- All TfNSW civil (road and bridge) construction contracts with an estimated value greater than \$250,000 (excluding GST), which are subject to the seeking of quotations and/or competitive tenders where prequalification is a requirement.
- All TfNSW contracts or subcontracts for works in the specialist categories listed in Clause 2.2.

The agencies listed in Table 1 are participants in the NPS.

Table 1 – Participating Agencies

Jurisdiction	Agency(s)
New South Wales	Transport for NSW (TfNSW)
Victoria	Department of Transport and Planning, Victoria (DTP)
Queensland	Department of Transport and Main Roads, Queensland (TMR)
Western Australia	Main Roads Western Australia (MRWA)
South Australia	Department for Infrastructure and Transport, South Australia (DIT)
Tasmania	Department of State Growth, Tasmania (DSG)
Australian Capital Territory	Procurement & Capital Works, Chief Minister, Treasury & Economic Development Directorate, Australian Capital Territory

**Note:** Where a Commonwealth agency decides to seek tenders from prequalified contractors, it will recognise relevant prequalification status awarded by states and territories under the Austroads National Prequalification System.

### 1.3 APPLICATIONS

If a contractor wishes to become prequalified with TfNSW and it does not have existing prequalification with another Participating Agency, the contractor must apply by using the application form available from <https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-37> and submitting it in accordance with the instructions on the form.

If a contractor has previously applied for prequalification with another Participating Agency, the Applicant must include the relevant details in the current application. Unless agreed otherwise with the Participating Agencies concerned, Applications must be submitted to the Participating Agency in the state where the Applicant's head office is located.

### 1.4 MUTUAL RECOGNITION

If a contractor is already prequalified with another Participating Agency, the contractor may seek mutual recognition of that prequalification with TfNSW by the submission of a mutual recognition application <https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/partners-and-suppliers/tenders-and-37>.

Mutual recognition of prequalification granted by other Participating Agencies is not automatic and must be initiated by the prequalified contractor. The mutual recognition application must include a copy of the prequalification certificate and the letter from the original Assessing Agency.

Mutual recognition only applies to contractors with "Full" prequalification. Contractors with a "Conditional" prequalification (refer Clause 3.3) are generally ineligible for automatic mutual recognition. However, at its sole discretion, TfNSW may elect to recognise the "Conditional" prequalification status of a Contractor.

TfNSW may undertake its own investigation of a company seeking mutual recognition and may request further information from the contractor or from the original Assessing Agency before granting mutual recognition. As part of these investigations, TfNSW will conduct a financial assessment of all contractors applying for mutual recognition.

## 2 PREQUALIFICATION CATEGORIES AND FINANCIAL LEVELS

### 2.1 OVERVIEW

Under the NPS, contracts for the construction of roadworks and/or bridgeworks are categorised as follows:

- Roadworks: R1 to R5 (with R1 being the lowest level)
- Bridgeworks: B1 to B4 (with B1 being the lowest level)

Contracts are also categorised by financial levels, which are further described in Section 2.3.

Typical characteristics of contracts in each roadworks and bridgeworks category are summarised in Appendix A.

To become prequalified at a particular level, an Applicant must satisfy the Assessing Agency that it has the management systems, relevant technical experience of the key personnel as it relates to road and bridge construction, good performance on previous applicable projects, readily available resources, and financial capacity to successfully complete a contract at that level.

## 2.2 SPECIALIST CATEGORIES

TfNSW also requires prequalification for the Specialist Categories of work described in Table 2.

**Table 2 – Prequalification Categories for Specialist Works**

Category	Indicative description of category requirements
Concrete Paving – Machine Placed (K1)	<ul style="list-style-type: none"> <li>• Demonstrated ability in machine placed concrete paving</li> <li>• Knowledge of and demonstrated experience with TfNSW Specifications</li> <li>• Manager active in operations with at least 10 years relevant experience</li> <li>• Construction Manager with at least 10 years paving experience</li> <li>• Civil Engineer on staff with at least 5 years paving experience</li> <li>• Key supervisory personnel with at least 10 years relevant experience</li> <li>• Possess single lane slip-form paver with specialist operators and experienced set-out crew</li> <li>• Has in place full third party certified AS/NZS ISO 9001, 14001 and 4801 (or 45001) IMS</li> </ul>
Concrete Paving – Machine Placed (K2)	<ul style="list-style-type: none"> <li>• Extensive experience in machine placed concrete paving</li> <li>• Knowledge of and extensive experience with TfNSW Specifications</li> <li>• Manager active in operations with at least 10 years relevant experience</li> <li>• Construction Manager with at least 10 years paving experience</li> <li>• Civil Engineer on staff with at least 5 years paving experience</li> <li>• Key supervisory personnel with at least 10 years relevant experience</li> <li>• Possess multi-lane lane slip-form paver with specialist operators and experienced set-out crew</li> <li>• Has in place full third party certified AS/NZS ISO 9001, 14001 and 4801 (or 45001) IMS</li> </ul>
Asphalt Paving – Machine Placed (A1)	<ul style="list-style-type: none"> <li>• Demonstrated experience in machine placed asphalt paving</li> <li>• Knowledge of TfNSW Specifications</li> <li>• Manager active in operations with at least 5 years relevant experience</li> <li>• Civil Engineer on staff or externally</li> <li>• Key supervisory personnel with at least 5 years relevant experience</li> <li>• Possess self-propelled vibrating steel drum, pneumatic roller, asphalt paver capable of placing asphalt to a depth of 200mm and a width of between 1.5m to 5.0m with specialist operators and experienced set-out crew</li> <li>• An independently audited QA/WHS/Environmental management system that meets the requirements of a checklist(s) to be provided by the assessing authority or a third party certified Integrated Management System (CCF or equivalent)</li> </ul>

Category	Indicative description of category requirements
Asphalt Paving – Machine Placed (A2)	<ul style="list-style-type: none"> <li>• Extensive experience in machine placed asphalt paving</li> <li>• Knowledge of and extensive experience with TfNSW Specifications</li> <li>• Manager active in operations with at least 10 years relevant experience</li> <li>• Construction Manager with at least 10 years paving experience</li> <li>• Civil Engineer on staff</li> <li>• Key supervisory personnel with at least 10 years relevant experience</li> <li>• Possess self-propelled vibrating steel drum, pneumatic roller, asphalt paver capable of placing asphalt to a depth of 200mm and a width of between 1.5m to 5.0m with specialist operators and experienced set-out crew</li> <li>• Has in place full third party certified AS/NZS ISO 9001, 14001 and 4801 (or 45001) IMS</li> </ul>
Pretensioned Concrete – Routine (C1)	<ul style="list-style-type: none"> <li>• Demonstrated capacity to produce precast, pretensioned concrete bridge planks and simple girders</li> <li>• Knowledge of TfNSW Specifications</li> <li>• Manager active in operations with at least 5 years relevant experience</li> <li>• Civil Engineer on staff or externally</li> <li>• Key supervisory personnel with at least 3 years relevant experience</li> <li>• Mobile or permanent casting yard facilities available</li> <li>• An independently audited QA/WHs system that meets the requirements of a checklist to be provided by the assessing authority or a third party certified Integrated Management System (CCF or equivalent)</li> </ul> <p>Note:</p> <ol style="list-style-type: none"> <li>1. The prequalification for C1 will be restricted to only those works the Applicant has the capacity to handle at the time of the technical assessment. The prequalification is only applicable for the assessed precast facility. A separate application is required if the applicant has multiple precast facilities.</li> </ol>
Pretensioned Concrete – Complex (C2)	<ul style="list-style-type: none"> <li>• Demonstrated capacity to produce large precast, pretensioned bridge members (trough girders)</li> <li>• Knowledge of and demonstrated experience with TfNSW Specifications</li> <li>• Manager active in operations with at least 10 years relevant experience</li> <li>• Civil Engineer on staff</li> <li>• Key supervisory personnel with at least 5 years relevant experience</li> <li>• Mobile or permanent casting yard facilities available</li> <li>• An independently audited QA/WHs system that meets the requirements of a checklist to be provided by the assessing authority or a third party certified Integrated Management System (CCF or equivalent)</li> </ul> <p>Note:</p> <ol style="list-style-type: none"> <li>1. The prequalification for C2 will be restricted to only those works the Applicant has the capacity to handle at the time of the technical assessment. The prequalification is only applicable for the assessed precast facility. A separate application is required if the applicant has multiple precast facilities.</li> </ol>



Category	Indicative description of category requirements
Steel Fabrication – Construction Category 3 (CC3)	<ul style="list-style-type: none"> <li>• Demonstrated capacity to produce major steel items and other complex fabricated structures in accordance with AS/NZS ISO 3834.2 and AS/NZS 5131 at the level of Construction Category 3 and above. Major steel items and fabricated structures include:               <ul style="list-style-type: none"> <li>- bridge trough, box, welded steel plate, truss and composite steel girders</li> <li>- bridge cross girders, cross frames, lateral bracing and diaphragms, launching noses and trusses</li> <li>- bridge columns and trestle piers</li> <li>- bridge lift spans and supports</li> <li>- cantilever and overhead gantries greater or equal to 10m high</li> <li>- mast lighting poles 12m high or greater</li> <li>- all bridge components for bridges conforming to AS 5100.6 except those listed in Construction Category 2</li> </ul> </li> <li>• Knowledge of and demonstrated experience with TfNSW Specifications or equivalent</li> <li>• Knowledge of and demonstrated experience of Responsible Welding Coordinator/coordination team as per ISO 14731 with at least 5 years relevant experience</li> <li>• Demonstrated capacity of fabrication shop with substantial facilities for lifting and turning</li> <li>• Demonstrated evidence requiring the presence of a Welding Supervisor at the site or workshop at all times during fabrication.</li> <li>• An independently audited QA/WHS system that meets the requirements of a checklist to be provided by the assessing authority or a third party certified Integrated Management System (CCF or equivalent) undertaken under a lead auditor meeting the requirements of clause 2.7 of EA-6/02 M: 2013 (EA-6/02 M: 2013 - EA Guidelines on the Use of EN 45 011 and ISO/IEC 17021 for Certification to EN ISO 3834)</li> <li>• The Fabricator must be certified for quality requirements to AS/NZS ISO 3834.2 by a certifying body accredited to this purpose by JAS-ANZ/IAF or by an ANBCC accredited by the IIW.</li> </ul> <p>Note:</p> <p>2. Prequalification in Construction Category 3 will be restricted to only those works which the Applicant has the capacity to handle at the time of the technical assessment. The prequalification is only applicable to the assessed steel fabrication facility. A separate application is required if the applicant has multiple steel fabrication facilities. Steel fabricators may be granted Conditional Prequalification when they have been assessed as only having the capability of fabricating certain types of CC3 steel items. Any such restrictions will be noted on the Certificate of Prequalification and on TfNSW website.</p>
Protective Treatment – Field (T)	<ul style="list-style-type: none"> <li>• Extensive experience in field protective treatment and painting of major structures, including containment and collection of blast cleaning waste</li> <li>• Knowledge of and demonstrated experience with TfNSW Specifications</li> <li>• Manager active in operations with at least 10 years relevant experience</li> <li>• Hold PCCP accreditation in Class 5</li> <li>• Key supervisory personnel with at least 5 years relevant experience</li> <li>• Substantial equipment inventory and experienced operators</li> <li>• An independently audited QA/WHS/EM system that meets the requirements of a checklist to be provided by the assessing authority or a third party certified Integrated Management System (CCF or equivalent)</li> </ul>

For specialist categories:

- The independent auditor that certifies the Integrated Management System must be:
  - a conformity assessment body accredited by the Joint Accreditation System for Australia and New Zealand (JAS-ANZ) to the relevant standard, or
  - registered by Exemplar Global (or equivalent), with experience in the civil construction industry.
- For Specialist Category CC3, lead auditor must meet the requirements of clause 2.7 of EA-6/02 M: 2013 - EA Guidelines on the Use of EN 45 011 and ISO/IEC 17021 for Certification to EN ISO 3834.

## 2.3 FINANCIAL LEVELS

The financial levels are identified by the letter “F”. The levels are summarised in Table 3.

**Table 3 – NPS Financial levels**

Financial level	Maximum values (including GST)
F0.25*	\$250,000
F1*	\$1 million
F2*	\$2 million
F5	\$5 million
F10	\$10 million
F15	\$15 million
F20	\$20 million
F25	\$25 million
F50	\$50 million
F75	\$75 million
F100	\$100 million
F150	\$150 million
F150 PLUS	Unlimited

**Note:**

\* Financial levels F0.25, F1 and F2 are optional prequalification levels under the National Prequalification System.

Applicants should note that the financial prequalification level is only indicative, as it represents the Applicant’s financial capacity at a particular point in time. TfNSW will require an updated financial assessment to be undertaken prior to the award of any contract, and at regular periods during the course of a contract.

The results of any such updated assessment will not immediately affect the financial level a contractor is prequalified for. However, a major variance between the financial level assessed at pre-award and the approved level of financial prequalification may trigger a review of the contractor’s financial prequalification status. This could result in the contractor being excluded from further consideration with respect to the tendered works, and/or a reassessment of the contractor’s financial level which could then result in a financial downgrade.

In general, TfNSW only considers the financial capacity of the company seeking prequalification when determining the financial level. However, in some circumstances where an applicant is a subsidiary company TfNSW reserves the right to examine the resources of the parent company in conjunction with the company seeking prequalification or other related entities.

Prequalified contractors may seek financial reassessment at any time after the release of their annual accounts. However, any additional costs incurred as a result of additional assessment beyond those required by TfNSW (i.e. annual reassessment required under the National Prequalification System, or updated financial assessments prior to the award of relevant contracts) may be borne by the prequalified contractor.

## 3 PREQUALIFICATION REQUIREMENTS

### 3.1 GENERAL

Companies (i.e. entities with an Australian Company Number) are eligible to apply for “Full” prequalification. At the absolute discretion of each Participating Agency, “Conditional” prequalification, where the Applicant does not fully comply with every specified criterion, may be granted.

## 3.2 FULL PREQUALIFICATION

### 3.2.1 Companies

Civil engineering construction companies that possess relevant experience in the construction of roads and bridge structures are eligible to apply for prequalification.

### 3.2.2 Incorporated Joint Ventures

An incorporated joint venture is a separate legal entity that may have been formed specifically to undertake a project or projects. The entity may draw upon the resources (technical and/or financial) of the entities supporting the joint venture.

An incorporated joint venture applying for prequalification must meet the criteria for prequalification in its own right. TfNSW recognises, however, that a newly formed joint venture may have difficulty satisfying some of the financial criteria (such as profit performance) and will therefore apply the same principles outlined below regarding newly formed companies.

## 3.3 CONDITIONAL PREQUALIFICATION

Where an Applicant does not meet every specified eligibility criteria, but the Assessing Agency considers that there will be benefits to the Assessing Agency by allowing that company to submit tenders, the Applicant may be granted “Conditional” Prequalification.

Examples of Conditional Prequalification include:

- Where the Applicant does not meet the financial criteria in its own right, but the Assessing Agency is satisfied that financial stability can be ensured through the provision of a deed of guarantee from a parent company and/or an additional unconditional undertaking from an approved financial institution.
- Where a newly formed company, which has suitably experienced personnel and satisfies the requirements for systems and other resources, is unable to satisfy all of the past experience criteria, but the Assessing Agency considers that the company is competent to undertake the work.

The granting of Conditional Prequalification is at the absolute discretion of the Assessing Agency and other Participating Agencies are under no obligation to recognise Conditional Prequalification. If another Participating Agency elects to recognise Conditional Prequalification, it may be on the same conditions imposed by the Assessing Agency, or similar conditions that meet the other Participating Agency’s specific requirements.

Providing the conditionally prequalified contractor continues to comply with the nominated conditions of their prequalification, they will be eligible to tender for contracts in the categories and financial level they are conditionally prequalified in.

## 3.4 UNINCORPORATED JOINT VENTURES

The granting of prequalification to unincorporated joint ventures is at the sole discretion of each Participating Agency. Unincorporated joint ventures are only eligible for “Conditional” Prequalification and other Participating Agencies may elect to not mutually recognise these entities.

**TfNSW does not require unincorporated joint ventures to be prequalified to tender for contracts. Each Participant in the Joint Venture must, however, be prequalified in its own right for roadworks and/or bridgeworks prior to close of tenders.**

## 3.5 OVERSEAS CONTRACTORS

Austrroads recognises there will be difficulties for overseas based companies in establishing operations within Australia. Some of the challenges and difficulties faced by the company may include:

- the cost of establishing operations with no guarantee of immediate work;
- the need to mobilise staff quickly after contracts are awarded in order to meet contractual time obligations;
- a lack of knowledge and experience with local conditions;
- having no established relationships with local suppliers (materials and plant) and subcontractors;
- a lack of knowledge of local legislation including environmental and work health & safety legislation; and
- a lack of familiarity with TfNSW's standard forms of contract and specifications.

To ensure TfNSW has confidence in the capabilities of an overseas Applicant, the application for prequalification should include a submission outlining how the company proposes to manage the above issues.

As with Australian companies that seek prequalification, the overseas company must apply for prequalification in the name of the entity that they will be entering into contracts in Australia and provide information relevant to that particular entity. The technical information must be relevant to road and bridge construction and there must be a clear link between the work undertaken by the Australian entity and the overseas company.

The overseas company must clearly explain and demonstrate their specific involvement in any Joint Ventures or any other type of multi-contractual work.

The assessment will consider the capability (i.e. experience, resources, management systems and financial capacity) of both the Australian and overseas entities. The assessment for "Full" prequalification will be based on the Australian entity. However, at its sole discretion, TfNSW may grant "Conditional" prequalification at a higher level if it forms the opinion that of the overseas entity will reasonably contribute to the capability of the Australian entity and the issues mentioned above have been adequately addressed.

The following requirements also apply to overseas Applicants:

- The Applicant must be a registered business within Australia and must nominate their Australian Company Number (ACN) or Australian Registered Business Number (ARBN) in their application.
- Submission of 3 years of audited accounts prepared in accordance with international accounting and auditing standards.
- Independently audited financial statements no more than 3 months old must be submitted in support of financial data supplied.
- Financial accounts must be in \$US, € or a currency which is acceptable to the Assessing Agency. The independent auditor must be an organisation which is recognised by TfNSW financial advisors.
- Where TfNSW does not have full confidence in the accuracy of the financial statement, it reserves the right to reject the application or request certain securities in addition to the normal contract securities. The securities required would be in the form of an Unconditional Undertaking provided by and claimable through an approved Australian bank or a foreign bank with a full banking licence in Australia and permanent branches established in Australia, preferably within New South Wales.
- The Applicant must hold and maintain a bank account in Australia with:
  - an Australian bank; or
  - a foreign bank with a full banking licence in Australia and permanent branches established in Australia.
- Written applications for prequalification must be submitted in English and key personnel nominated in the application must be fluent in speaking English.

### **3.6 LOCAL GOVERNMENT COUNCILS**

NSW Local Government Councils seeking to carry out works for TfNSW under Road Maintenance Council Contracts are required to be prequalified for roadworks in the National Prequalification System at R2 and F5.

The assessment of a Council's technical capability will generally be the same as for other applicants, with the exception that independently audited WHS, Quality and Environmental Management Systems that meet the requirement of checklists provided by TfNSW will be accepted for roadworks level R2. Councils prequalified at R2 on the basis of these TfNSW checklists will be granted Conditional Prequalification and will be restricted to only carrying out works for TfNSW under Road Maintenance Council Contracts.

Prequalified Councils will automatically be granted the financial level F5 without the need for a financial assessment. If a Council is seeking prequalification at a higher financial level, a financial assessment will be required.

### **3.7 EXCLUSIONS**

Prequalification does not extend to related or subsidiary companies or entities of a prequalified contractor. Any such company or entity must apply for prequalification in its own right.

Where two or more related companies apply for prequalification, resources are deemed to be allocated to a single company and cannot be considered in the assessment of the other companies.

The following are ineligible for prequalification under the NPS:

- project management companies (i.e. the company has no internal construction resources and outsources all of the site work);
- trusts and trustees;
- natural persons; and
- partnerships.

Where a Participating Agency manages prequalification systems for specialist categories (for example, asphalt and spray sealing), other Participating Agencies may elect to not mutually recognise this prequalification.

## **4 ASSESSMENT CRITERIA**

Applications will be assessed against the following criteria. Refer to Appendix 2 for full details of the minimum criteria for each level.

### **4.1 TECHNICAL CAPABILITY**

- (1) Company experience
- (2) Company resources and technical capability
- (3) Management systems

It is expected that resources nominated in an application are predominately "in house". If subcontractor resources are nominated for core construction activities, the Applicant must provide clear evidence of an established and successful working relationship with the subcontractor.

### **4.2 FINANCIAL CAPACITY**

To be considered for prequalification and to maintain prequalification status, contractors must demonstrate strong business viability over both the short and long term.

Applicants that demonstrate sufficient financial capacity to be prequalified will be assigned a financial level and become eligible to tender for advertised contracts that nominate a financial level, providing the Applicant is prequalified in the advertised technical categories.

A financial assessment will be undertaken on the entity seeking prequalification, which could be the subsidiary of a parent company. In some cases, TfNSW (at its own discretion) may allow the financial capacity of a parent company to be assessed when considering the financial capacity of the applicant.

TfNSW may also request a suitable undertaking from the parent entity, such as a Letter of Undertaking or Parent Company Guarantee. The parent company then becomes the guaranteeing entity.

Any award of financial level based on or including an assessment of a parent company will be regarded as Conditional Prequalification.

In assessing financial capacity, inter-company arrangements including loans and current contractual commitments will be taken into account.

## **5 ASSESSMENT PROCESS**

### **5.1 ASSESSMENT OF APPLICATIONS**

TfNSW will assess all Applications for prequalification to determine the Applicant's capability to undertake contracts in the nominated category and an appropriate financial level. A mixture of internal and external assessors may be used.

Assessment of Applications will be based on the following:

- information contained in the completed Application and attached supporting documentation;
- referee reports;
- documented evidence held by TfNSW regarding the Applicant's previous performance;
- information that was submitted in a previous prequalification application (where appropriate);
- information obtained by other Participating Agencies or government agencies regarding the Applicant's previous performance; and
- any other valid information relevant to the Application, notwithstanding that the information has not been submitted by the Applicant.

### **5.2 NOTIFICATION**

Applicants will be notified in writing regarding which, if any, prequalification category(s) and financial level they have achieved within 6 weeks of lodgement of their Application (providing all relevant information was included), unless significant issues arise during consideration of an Application in which case further information may be sought. Such notifications will include, where warranted, any specific limitations or conditions applicable to the allocated prequalification category.

Applicants that are not satisfied with the outcome of the assessment may lodge a request for a review or appeal, as detailed in Section 6.8 of this document.

### **5.3 UPGRADING PREQUALIFICATION STATUS**

A prequalified contractor may apply for an upgrade of its prequalification status after having successfully completed several projects at the current level. To upgrade, a new application form must be lodged with the original Assessing Agency.

To be eligible for an upgrade in a road or bridge category, a Contractor must be able to demonstrate that its circumstances have changed sufficiently since its last prequalification application was assessed. As such, it may not be necessary to complete the entire application form and Applicants should confirm the requirements for the application with TfNSW before submitting an upgrade application. Temporary upgrades for specific projects will not be issued.

In the event the applicant is granted an upgrade, it will be necessary to submit further mutual recognition application(s) to the other Participating Agencies.

Refer to Clause 2.3 for information regarding upgrades to Financial Categories.

## **5.4 COST OF ASSESSMENT**

TfNSW will not charge for the cost of assessing the original Application. However, if:

- the information submitted with an Application is deficient or misleading;
- the Applicant then submits further information which reasonably should have been included in the original Application; and
- TfNSW incurs additional costs as a consequence of late submission of information, TfNSW may charge the Applicant for those additional costs incurred.

Applicants are advised to carefully check that all information requested is provided, particularly the financial information.

# **6 MAINTENANCE OF PREQUALIFICATION STATUS**

## **6.1 GENERAL**

The ongoing management of the NPS is the responsibility of the NPS Management Committee, which comprises a representative from each Participating Agency.

If a contractor wishes to appeal a decision of a Participating Agency pursuant to Clause 6.8, it will be required to notify the Chairperson of the NPS Management Committee. TfNSW will provide the contact details of the Chairperson if requested by a contractor.

## **6.2 PROVISION OF UPDATED INFORMATION**

In order for a prequalified contractor to maintain its prequalification status, the contractor must submit for assessment regular and full updates of information to support its ongoing financial capacity, technical capacity, and experience as follows:

- up-to-date financial information – when requested;
- up-to-date information on Company Profile, Company Experience and Technical Capacity – at a minimum of every three years or following a significant change in any of these areas.

TfNSW will monitor and assess the ongoing performance of each prequalified contractor. Each contractor's prequalification status will depend on the contractor maintaining a good level of performance in its delivery of contracts.

Contractor Performance Reports will be prepared for the following periods:

- Quarter 1 – 1 January to 31 March
- Quarter 2 – 1 April to 30 June
- Quarter 3 – 1st July to 30 September
- Quarter 4 – 1st October to 31 December

Where the contract period is less than six months or completion was achieved mid-cycle, a Contractor Performance Report can be prepared on completion of the works.

Additional Contractor Performance Reports may be prepared in the following circumstances:

- If the contractor has demonstrated continuing unsatisfactory performance.
- During a Defect Liability/Correction Period if the performance of the Contractor over the defects liability period warrants a different score than generated previously.
- A Contractor Performance Report will be required if a contract is terminated.

The reports will be used to promote the process of continuous improvement, to assist in Applications for upgrades in prequalification status, to support the contractor's ongoing prequalification status and to ensure a common understanding of expectations for both parties regarding the contracted works.

### 6.3 PREQUALIFICATION STATUS

Where a matter of concern is identified, the Participating Agency may:

- undertake a review of the contractor;
- meet with the senior management of the contractor;
- issue a warning to the contractor regarding the matter; or
- if the matter is serious (e.g. being placed in voluntary administration), immediately issue a "Show Cause" notice pursuant to Clause 6.4.

Where a contractor is operating across multiple jurisdictions under the mutual recognition framework and a sanction would apply across those jurisdictions, any review may be undertaken by a sub-committee of the NPS Management Committee.

Any of the following may result in a review of a contractor's prequalification status or the issue of a warning letter:

- where conditional prequalification has been granted subject to a review being carried out following completion of the first contract under the conditional arrangement;
- where TfNSW reasonably considers a contractor's performance to be unsatisfactory;
- where a conditional financial prequalification has been granted subject to the review being carried out on specific financial statements;
- following changes to a contractor's organisational structure, or technical, financial or management capacity which, in the opinion of TfNSW, may have an adverse effect on the contractor's performance;
- where restrictions on a licence/registration to practice are imposed, or third party certification of a management system is withdrawn or has expired; or
- for failure to comply with the terms and conditions of prequalification.

### 6.4 SHOW CAUSE NOTICE

TfNSW may suspend, downgrade or cancel a contractor's prequalification status at its discretion. If any such action is proposed, the contractor will be issued with a formal Show Cause Notice and given the opportunity to respond to the issues raised in the notice.

The Show Cause Notice shall:

- state that it is a notice under the National Prequalification System terms and conditions;
- specify the alleged breach;
- require the contractor to show cause in writing why TfNSW should not exercise the right to cancel, suspend or downgrade the contractor's prequalification status; and
- specify the time and date (not more than 10 business days) by which the contractor must show cause.

TfNSW may make further enquiries to verify the contractor's responses.



If by the time specified in a Show Cause Notice the contractor fails to respond or to show reasonable cause why TfNSW should not adjust the prequalification status, TfNSW may cancel, suspend or downgrade the prequalification status without further notice to the contractor. In exercising its rights under Section 6 of this document, TfNSW will not act capriciously or act with bias.

If an Assessing Agency suspends, downgrades or cancels a contractor's prequalification, the change in status is automatically applicable to any other Participating Agency that has recognised the contractor's prequalification, unless that Participating Agency determines otherwise.

The contractor may elect to appeal the imposition of the sanction in accordance with the process outlined in Section 6.8 of this document.

## **6.5 SUSPENSION**

A contractor's prequalification may be suspended where there is a temporary or short term issue affecting their ability to satisfy the prequalification criteria specified in this document. Any such suspension will be in place until the temporary problem is remedied and the contractor is again able to satisfy all of the criteria corresponding to the level of prequalification granted.

Where a contractor operates under mutual recognition arrangements, suspension may take the form of a withdrawal of recognition of the contractor's prequalification status by Participating Agencies for a specified period of time. Other Participating Agencies which recognise the prequalified contractor will be notified of the suspension and its cause.

## **6.6 DOWNGRADING**

If, in the reasonable opinion of the Assessing Agency, the contractor no longer satisfies the requirements for a particular category of prequalification, but is capable of satisfying the requirements for a lower category, their prequalification may be downgraded. Examples of breaches that may give rise to downgrading of a contractor's prequalification status include:

- repeated minor contractual or prequalification system non-compliances where, in the opinion of TfNSW, there is an unacceptable risk in allowing the contractor to remain prequalified at their current prequalification level; or
- an adverse change in the organisation's management systems or technical capability (including availability of key personnel), but the contractor can demonstrate that requirements for a lower level of prequalification are met.

## **6.7 CANCELLATION**

Examples of breaches that may give rise to cancellation of a contractor's prequalification status include:

- unsatisfactory performance on one or more contracts between the contractor and one or more Participating Agencies;
- the prequalified contractor has been placed into voluntary administration or involved in a compromise or other arrangements with creditors;
- an adverse change in the organisation's management systems or technical capability (including availability of key personnel) such that the contractor no longer fully meets the requirements for prequalification at any level;
- where a contractor has been granted conditional prequalification subject to it meeting certain requirements and it fails to meet those requirements within the stipulated timeframes; or
- where the contractor is experiencing financial problems, as verified by TfNSW.

## 6.8 REVIEWS

If a contractor is not satisfied with any decision made by a Participating Agency, the contractor may request a review of the decision by the original assessors, providing sufficient additional information is submitted to warrant a review. Any request for a review must be lodged with TfNSW within 20 business days of the date of the letter advising of the prequalification decision.

## 6.9 APPEALS

If an Applicant is not satisfied with the outcome of a review, the Applicant may lodge an appeal with TfNSW within 20 business days of the date of the letter advising of the prequalification decision. The Applicant may request the appeal process to be managed by the Chairperson of the Austroads NPS Management Committee on behalf of TfNSW.

Unless agreed otherwise by the Applicant and the Participating Agency, the appeal will be conducted in accordance with this Clause 6.9 and considered by either:

- An independent expert; or
- A specially convened Appeals Panel, comprising of at least three members; of which two members will be from the NPS Management Committee or be assessors from other participating agencies. The third member is an independent expert. The original assessor is excluded from participation in the panel.

TfNSW will use reasonable endeavours to provide the names of three independent experts, from which the Applicant will be invited to choose one. If the appellant does not select an independent expert within 15 business days, the selection may be made by TfNSW.

The independent expert must have:

- comprehensive experience and/or knowledge of roadworks and bridgeworks construction; and
- qualifications in dispute resolution, arbitration (acceptable for membership of Resolution Institute) or other qualifications acceptable to the parties.

If an Appeals Panel is selected, they must convene (which may be by teleconference or video link) within 20 business days of the latter of:

- the selection of the independent expert; and
- the provision of all information supporting the appeal.

Once selected, the Appeals Panel or independent expert:

- must review the original decision, including the information provided by the Applicant and the assessment by the agency;
- may consider or request new or additional information;
- must act impartially in accordance with this requirements document; and
- must make a determination, including written reasons for the determination, within 40 business days of the provision of all information relevant to the appeal.

The determination is final and binding on both the Participating Agency and the Applicant.

## 6.10 COST OF REVIEWS AND APPEALS

If a review or appeal is unsuccessful and the NPS Management Committee reasonably forms the opinion that the review or appeal was without merit and had no reasonable chance of success, the costs of engaging any external assessor/representative will be borne by the Applicant.

## **7 TENDERING AS A PREQUALIFIED CONTRACTOR**

### **7.1 GENERAL**

Where specified in the invitation of tenders, contractors wishing to bid for the work must be prequalified in the nominated technical categories and, where stipulated by TfNSW at the relevant advertised financial level.

When a contract involves both road and bridge construction, TfNSW will determine the appropriate prequalification category for each component of that contract, together with the financial level. TfNSW will determine the prequalification category for each contract based on complexity and risk. Notwithstanding this, tenderers must address any evaluation criteria in the invitation of tenders and comply with the conditions of tendering.

TfNSW may nominate one category as the primary category and another as the secondary category. In the event that a contractor is prequalified in only one of these categories (and any stipulated financial level) that contractor may, if it is prequalified for the primary category, submit a tender using a subcontractor that is prequalified in the secondary category.

For example, a contract may be advertised as R3/B3 where it has roadworks characteristics corresponding to category R3 and bridgeworks characteristics corresponding to category B3. In this example, contractors prequalified in these or higher categories would be eligible to tender for this contract. Where stipulated by TfNSW, the contractor may also need to be prequalified at an advertised financial level e.g. F10.

Alternatively, if R3 was nominated as the primary category, a contractor prequalified at R3 or higher would be eligible to tender providing it nominated a subcontractor that is prequalified at B3 (or higher) to undertake the bridgework components.

Tenders will not be accepted from contractors prequalified in the secondary category and nominating a subcontractor that is prequalified in the primary category.

### **7.2 UNINCORPORATED JOINT VENTURES**

Unincorporated joint ventures are not required to be prequalified.

Contractors tendering for a contract as part of an unincorporated joint venture must, however, each be prequalified in their own right for roadworks and/or bridgeworks, prior to close of tenders. The contractors in the unincorporated joint venture must jointly meet the prequalification requirements specified in the request for tender; e.g. a contract requiring tenderers to have prequalification at R3 and B2 would require that at least one joint venture partner have prequalification to R3 and one to have prequalification to B2. All contractors in the unincorporated joint venture must satisfy the prequalification financial level required for the contract.

Unincorporated joint ventures should refer to the conditions of contract and tendering requirements, and will be required to include the following with their tender:

- a copy of the joint venture agreement relating specifically to the contract being tendered for;
- the organisational structure of the joint venture;
- details of key personnel from each of the joint venture parties;
- details of the management systems to be used by the joint venture.

Joint ventures must note that all contracts entered into with TfNSW are on the basis of joint and several liability.

### **7.3 PREQUALIFICATION CHECKS PRIOR TO AWARDING OF A CONTRACT**

TfNSW may undertake a check of the preferred tenderer's prequalification status prior to the award of a contract, including any technical and/or financial matters.

## **8 TERMS AND CONDITIONS OF PREQUALIFICATION**

### **8.1 GENERAL**

Contractors wishing to tender for TfNSW road and bridge construction contracts in New South Wales must be prequalified prior to close of tenders.

TfNSW grants prequalification for a period of three years. Contractors intending to continue their prequalification after the expiry date must reapply. To ensure no lapse in prequalification, contractors must resubmit their reapplication at least 6 weeks prior to the current expiry date.

Eligibility requirements are described in this document, along with the terms and conditions of prequalification and the process that will be undertaken by TfNSW to assess and review prequalification Applications.

Contractors seeking prequalification (“Applicants”) and prequalified contractors are required to comply with the terms and conditions and associated procedures described in this Section 8.

### **8.2 NO GUARANTEE OF WORK**

Prequalification is not to be construed as a guarantee of work. Prequalification only determines a contractor’s eligibility to tender for work, subject to meeting any local legislative/regulatory requirements. Participating Agencies apply government procurement principles, including value-for-money, in the assessment and selection of tenders.

### **8.3 APPLICATION REQUIREMENTS**

To become prequalified, an Applicant must select one or more prequalification categories that it believes to be commensurate with its capabilities and submit an Application Form with supporting information that addresses all specified criteria.

In submitting its Application, the Applicant gives permission to TfNSW to carry out such investigations as are considered necessary to evaluate the Application and to determine whether it meets the relevant prequalification criteria. These investigations include a company search, bank reference checks and referee checks on key personnel.

In undertaking its assessment, TfNSW may take into account other information in its possession, or information provided by other Participating Agencies or government agencies. In considering Applications from subsidiary companies, TfNSW reserves the right to examine the resources of the parent company or entity, or other related entities, if considered warranted.

### **8.4 CONFIDENTIALITY**

TfNSW may refer an Applicant’s documentation to its external assessors for assessment. External assessors are required to maintain confidentiality of all information received. However, in lodging an Application, Applicants agree to provide the necessary agency to enable searches and enquiries to be carried out for the assessment.

Information submitted in an Application for prequalification will be treated as commercial-in-confidence and will not be disclosed to any party outside TfNSW and its assessors unless TfNSW is legally required to do so, for the purposes of obtaining legal or financial advice, or in relation to appeals regarding prequalification decisions.

Once prequalified, a contractor’s details, including details of its performance on specific contracts, may be shared with other Participating Agencies and government agencies for the purpose of monitoring performance and to determine continued eligibility for prequalification. Lists of prequalified contractors will be made publicly available by TfNSW, and on the National Prequalification Database.

## 8.5 CHANGE OF CIRCUMSTANCES

Prequalified contractors have an obligation to advise TfNSW of any change in circumstances that may be material to their prequalification status, including any convictions or breaches of legislation or statutory regulations.

Further information is provided in Section 6 of this document.

## 8.6 GOVERNING LAW

These terms and conditions shall be governed by TfNSW and each party submits to the exclusive jurisdiction of the Courts in that state or territory. Where appropriate the reviews and appeals process outlined in Section 6.4 will be utilised.

## 8.7 APPLICANT'S UNDERTAKING

### 8.7.1 Acceptance of Terms and Conditions

In applying for prequalification (including renewal, where required by TfNSW or upgrading, the Applicant is deemed to have accepted the terms and conditions of prequalification, which the Applicant acknowledges and accepts may be varied from time to time.

### 8.7.2 Accuracy of application information

The Applicant must ensure that all particulars in the Application are true and correct in every detail.

### 8.7.3 Use of prequalification status for advertising and promotion

The Applicant agrees not to use any information relating to its prequalification status or contract performance in its advertising or promotional material or publish such information in any form. The Applicant further agrees that it accepts full responsibility for any consequences arising from the use of such information.

## 8.8 OTHER TfNSW SYSTEM CONTRACT REQUIREMENTS

(Not Required for Prequalification)

Before a TfNSW contract is awarded, the tenderer will need to meet the following additional requirements. Tenderers that do not already meet these requirements are encouraged to obtain them prior to tendering for work.

### 8.8.1 Work Health and Safety

Contractors will need to provide evidence that their WHS system meets the requirements of TfNSW QA Specification G22 Work Health and Safety (Construction Work) (Ref. <https://roads-waterways.transport.nsw.gov.au/business-industry/partners-suppliers/documents/specifications/g022.pdf>), and the NSW Government Work Health & Safety Management Guidelines for Construction Procurement (Ref. [https://buy.nsw.gov.au/\\_\\_data/assets/file/0014/622013/Work-Health-Safety-Management-Guidelines-for-Construction-Edition-6\\_Dec2019.pdf](https://buy.nsw.gov.au/__data/assets/file/0014/622013/Work-Health-Safety-Management-Guidelines-for-Construction-Edition-6_Dec2019.pdf))

### 8.8.2 Quality

Contractors need to provide evidence that their Quality Management System meets the requirements of TfNSW Quality Specification Q6.

Contractors with systems that have been certified by a JAS-ANZ accredited conformity assessment body as conforming to ISO 9001:2015 or AS/NZS ISO 9001:2016 need to meet the following requirements:

- (1) Submit a template Project Quality Plan and a Project Quality Plan from a recent project for work appropriate to the Prequalification Category(s) applied for.
- (2) Submit a Records Management Plan in accordance with the requirements of Specification Q6 Annexure Q/E.
- (3) Submit Inspection and Test Plans that are based on TfNSW specification Q6 (requirements detailed in Clause 8.1.1) and relevant TfNSW technical specifications.

Certification issued for compliance with AS/NZS 9001:2008 Quality Management Systems is acceptable while that certification remains current.

## 9 DEFINITIONS AND INTERPRETATION

- **Applicant** means the legal entity lodging the Application.
- **Application** means the completed submission (“Application Form”), lodged by the Applicant to be prequalified in one or more categories and a financial level.
- **Jurisdiction** is New South Wales.
- **National Prequalification System** means the National Prequalification System for Civil (Road and Bridge) Construction Contracts developed by Austroads.
- **Participating Agency** is Transport for NSW (TfNSW).
- **Tender** includes quotation, proposal or registration/expression of interest.
- **"Includes"** or **"including"** shall not be interpreted as a word of limitation.
- The word **"or"** is not exclusive.

### Disclaimer

- The National Prequalification System has been specifically established to meet the requirements of Participating Agencies, and Participating Agencies rely on an Applicant’s own documentation in undertaking any assessments.
- Other persons and organisations seeking to deal with a prequalified contractor must rely on their own independent enquiries and judgment. TfNSW and its officers, employees and agents do not represent that any prequalified contractor is technically, financially or otherwise sound.
- This document outlines the minimum requirements of the National Prequalification System. TfNSW reserves the right to expand upon and tailor these requirements or any of the processes outlined in this document as appropriate to better reflect their local requirements. Where possible, the local contracting industry will be consulted before any significant changes are introduced.
- To the extent permitted by law, TfNSW and its officers, employees and agents are not liable for any costs, loss, damage or injury (howsoever caused) incurred by any person as a result of the exercise of the discretion to grant prequalification, downgrade, suspend or cancel a company’s prequalification.

## 10 APPENDIX A – GUIDANCE FOR THE APPLICABLE ROAD AND BRIDGE PREQUALIFICATION CATEGORY

Table A1 – Typical Characteristic of Contract Roadworks

Category	General features of works	Earthworks	Pavement	Drainage	Miscellaneous	Traffic management	Services	Subcontractors/ consultants	Stakeholder/ project management	Cultural Heritage & Environmental Management
R1	<ul style="list-style-type: none"> <li>Typically rural or semi-urban works with minimal traffic and issues</li> <li>Minor works including simple construction, reconstruction and widening</li> </ul>	<ul style="list-style-type: none"> <li>Earthworks to a maximum of 2m in cut or fill</li> </ul>	<ul style="list-style-type: none"> <li>Simple granular pavements with sprayed seal surfacing</li> </ul>	<ul style="list-style-type: none"> <li>Minor culvert work and reinforced concrete works</li> <li>RCP, steel or plastic pipes &lt; 600mm dia.</li> <li>No more than 2 bays</li> </ul>	<ul style="list-style-type: none"> <li>Roadside furniture (e.g. signs, safety barriers)</li> </ul>	<ul style="list-style-type: none"> <li>Non-complex worksite traffic management</li> <li>Typically AADT &lt; 2,000 vehicles/day</li> </ul>	<ul style="list-style-type: none"> <li>No service relocation works</li> </ul>	<ul style="list-style-type: none"> <li>Non-complex subcontract management (e.g. sprayed seal subcontractor, worksite traffic control)</li> </ul>	<ul style="list-style-type: none"> <li>Non-complex project management</li> </ul>	<ul style="list-style-type: none"> <li>Low level environmental management</li> <li>Nil to low cultural heritage</li> <li>Majority of work in previously disturbed ground within road footprint</li> </ul>
R2 R1 activities plus majority of the following:	<ul style="list-style-type: none"> <li>Low complexity at grade intersection and channelisation works</li> </ul>	<ul style="list-style-type: none"> <li>Significant earthwork including structural fill and rock protection</li> <li>Excavation in rock not requiring blasting</li> <li>Cut or fill up to 5m in height or depth (cutting)</li> </ul>	<ul style="list-style-type: none"> <li>Significant longitudinal joints with existing pavements</li> <li>Simple A/C pavements</li> </ul>	<ul style="list-style-type: none"> <li>Medium-sized culvert works, RCBC &lt; 1.8m height and ≤ 10 bays)</li> <li>Cross and longitudinal drainage</li> <li>Interface with bridge construction</li> </ul>	<ul style="list-style-type: none"> <li>Lighting</li> <li>Minor works associated with traffic signals</li> <li>Pedestrian crossing or similar</li> <li>Simple traffic light modifications</li> </ul>	<ul style="list-style-type: none"> <li>Non-complex to moderately complex worksite traffic management</li> <li>Typically AADT between 2,000 and 5,000 vehicles/day</li> </ul>	<ul style="list-style-type: none"> <li>Interface with non-complex service relocation works</li> </ul>	<ul style="list-style-type: none"> <li>Identification and management of select or nominated subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Non-complex project management</li> <li>Simple community/ stakeholder management</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring during clearing and grubbing</li> <li>Cultural heritage assessment and artefacts collection during monitoring</li> <li>Management of multiple native groups</li> <li>Dilapidation survey, dust monitoring, vibration monitoring</li> </ul>

Category	General features of works	Earthworks	Pavement	Drainage	Miscellaneous	Traffic management	Services	Subcontractors/ consultants	Stakeholder/ project management	Cultural Heritage & Environmental Management
R3 R2 activities plus majority of the following:	<ul style="list-style-type: none"> <li>• More complex intersections located at urban location</li> <li>• Medium to large scale of works</li> </ul>	<ul style="list-style-type: none"> <li>• General earthworks exceeding 5m in cut or fill</li> <li>• Mechanically stabilised earth construction to a nominal 5m in height</li> <li>• Excavation in hard rock where blasting is likely to be required</li> </ul>	<ul style="list-style-type: none"> <li>• Pavement construction using marginal materials (non-standard)</li> <li>• Pavement construction using modified materials (e.g. cement treated subbase)</li> <li>• Deep lift asphalt</li> <li>• Small scale concrete pavement</li> </ul>	<ul style="list-style-type: none"> <li>• Special foundation and/or subgrade and subsoil drainage treatments</li> <li>• Includes large size culverts, multiple bays and link slab culverts</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent traffic signals for moderate to heavily trafficked intersection</li> </ul>	<ul style="list-style-type: none"> <li>• Moderately complex worksite traffic management</li> <li>• Typically AADT between 5,000 and 40,000 vehicles/day</li> <li>• Multiple staging of simple traffic shift</li> <li>• Hard wired temporary traffic signals</li> </ul>	<ul style="list-style-type: none"> <li>• Moderately complex service relocations including conduits (e.g. electrical, communication services)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-complex design management</li> <li>• Moderately complex project management including subcontractor management and coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Moderately complex to complex community/ stakeholder management</li> <li>• Moderately complex project management</li> </ul>	<ul style="list-style-type: none"> <li>• Relocation of local flora and fauna</li> <li>• Installation of fauna fencing</li> <li>• Identification of culturally significant tree or sacred site</li> </ul>
R4 R3 activities plus majority of the following:	<ul style="list-style-type: none"> <li>• Grade separated intersections</li> <li>• Complex staging of construction works</li> <li>• Duplication of major arterial road</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanically stabilised earth construction &gt; 5m in height and other substantial retaining structures</li> <li>• Embankments over very soft soils using wick drains, stone columns, etc and sophisticated monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Heavy duty Asphalt pavements</li> <li>• Bitumen treated base pavements</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent sedimentation catchment</li> <li>• Complex gully box</li> <li>• Arrangements for urban works</li> </ul>	<ul style="list-style-type: none"> <li>• Simple ITS arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Complex staged traffic management in high speed and/or urban environments</li> <li>• Multiple traffic alignment changes</li> <li>• Typically AADT between 40,000 and 100,000 vehicles/day</li> </ul>	<ul style="list-style-type: none"> <li>• Complex service relocations (e.g. construction of dedicated services corridor)</li> <li>• Including multiple staging of coordination of utility services</li> </ul>	<ul style="list-style-type: none"> <li>• Significant subcontracting is often involved</li> <li>• Consultant team coordination and/or management</li> <li>• Design management</li> </ul>	<ul style="list-style-type: none"> <li>• Complex community/ stakeholder interfaces</li> <li>• Complex project management</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with project specific environmental approvals from relevant state or federal agencies (e.g. EPBC)</li> </ul>



Category	General features of works	Earthworks	Pavement	Drainage	Miscellaneous	Traffic management	Services	Subcontractors/ consultants	Stakeholder/ project management	Cultural Heritage & Environmental Management
R5 R4 activities plus majority of the following:	<ul style="list-style-type: none"> <li>• Complex grade separated interchanges, multiple carriageways</li> <li>• Motorway on a new urban alignment</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of zonal embankments</li> <li>• Earthworks within 2m of tidal areas</li> <li>• Aggressive unsuitable materials including acid sulphate soils</li> </ul>	<ul style="list-style-type: none"> <li>• Slipform, large scale concrete pavements</li> </ul>		<ul style="list-style-type: none"> <li>• Permanent variable message signs and complex ITS arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Complex staged traffic management in high speed and/or urban environments</li> <li>• Multiple alignment changes</li> <li>• Typically AADT &gt; 100,000 vehicles/day</li> </ul>		<ul style="list-style-type: none"> <li>• Complex consultant team coordination and/or management</li> </ul>	<ul style="list-style-type: none"> <li>• Very complex community/ stakeholder interfaces</li> <li>• Very complex project management</li> </ul>	<ul style="list-style-type: none"> <li>• Specific elements in design to meet environmental expectations (e.g. fauna pass etc).</li> </ul>

Table A2 – Typical Characteristic of Contract Bridgeworks

Category	Typical Features of Bridge Structure	Construction Methodology and Site Constraints	Foundations	Bearings, Joints and Ancillary Components	Environment, Community & Stakeholder Management
<b>B1</b>	<ul style="list-style-type: none"> <li>Large culvert including link slab or cast in situ deck units and multiple bay (&gt; 10 bays) culverts and similar drainage structures</li> <li>Basic reinforced concrete earth retaining structures</li> <li>Simple footbridges</li> <li>Simple single span road bridges (e.g. prestressed planks or standard section steel girders)</li> <li>Minor repairs</li> </ul>	<ul style="list-style-type: none"> <li>Simple traffic management (e.g. rural roads)</li> <li>Small stream crossing</li> <li>Minimal restrictions on access for cranes and other large plant</li> </ul>	<ul style="list-style-type: none"> <li>Simple spread footing foundations e.g. large base slabs</li> <li>Foundations for gantries</li> </ul>	<ul style="list-style-type: none"> <li>No expansion joint; or simple expansion joints (e.g. compression seal or asphalt plug)</li> <li>Simple bearings</li> </ul>	<ul style="list-style-type: none"> <li>Simple community/ stakeholder management</li> <li>Simple environment management</li> </ul>
<b>B2</b> B1 activities plus majority of the following:	<ul style="list-style-type: none"> <li>Multiple span bridge using standard prestressed concrete girders or steel girders with a continuous cast in place concrete decks</li> <li>Major repairs, such as deck replacement, deck widening or a significant barrier upgrade</li> <li>Arch structures under an embankment (e.g. corrugated steel or precast concrete)</li> <li>Bridge founded on mechanically stabilised earth structure</li> </ul>	<ul style="list-style-type: none"> <li>Typically, construction over: <ul style="list-style-type: none"> <li>- operating roads (low to medium traffic volumes), or</li> <li>- non-electrified rail lines, or</li> <li>- streams with intermitted/low flows or calm conditions</li> </ul> </li> <li>Minimal constraints on construction sequencing</li> </ul>	<ul style="list-style-type: none"> <li>Standard non-complex pile foundations (generally &lt; 25m length) without the need for floating equipment or temporary bridges</li> <li>Precast prestressed piles</li> </ul>	<ul style="list-style-type: none"> <li>More complex expansion joints (e.g. elastomeric strip seal)</li> <li>Standard pot bearings</li> </ul>	<ul style="list-style-type: none"> <li>Moderate community/ stakeholder management</li> <li>Moderate environmental management</li> </ul>

Category	Typical Features of Bridge Structure	Construction Methodology and Site Constraints	Foundations	Bearings, Joints and Ancillary Components	Environment, Community & Stakeholder Management
<b>B3</b> B2 activities plus majority of the following:	<ul style="list-style-type: none"> <li>• Voided slab superstructures</li> <li>• Post tensioned cast insitu structural elements</li> <li>• Complex (i.e. variable depth) steel girders</li> <li>• Major slipform piers</li> <li>• Moderately complex geometry and size</li> <li>• Cable stayed pedestrian bridges</li> </ul>	<ul style="list-style-type: none"> <li>• Construction over heavily trafficked roads requiring complex traffic management</li> <li>• Top down construction methodology</li> <li>• Difficult site access</li> <li>• Dewatering required</li> <li>• Staged or complex bridge construction sequence (e.g. one lane at a time)</li> <li>• Heavy lifting of prefabricated superstructure into final position</li> </ul>	<ul style="list-style-type: none"> <li>• Foundations which may be complex and/or require deep piling and/or require floating equipment or temporary bridges</li> <li>• Include cast insitu piles, which may include simple dry rock sockets</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion joint accommodates large movement (typically &gt; 100mm)</li> <li>• Finger Joints designed for large movements</li> <li>• Spherical bearings and heavily loaded pot bearings</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate to complex community/stakeholder interfaces and project management aspects</li> <li>• Consultant team coordination and/or management</li> <li>• Design management</li> <li>• Moderate to complex environmental management waterway barrier, low flow channels</li> </ul>
<b>B4</b> B3 activities plus majority of the following:	<ul style="list-style-type: none"> <li>• Significant fabricated steel superstructures (e.g. very large box girder)</li> <li>• Complex geometric/aesthetic shapes</li> <li>• Major cable stayed structures</li> <li>• Post tensioned concrete box girder</li> <li>• Very large scale</li> </ul>	<ul style="list-style-type: none"> <li>• Construction over water using coffer dams or large floating cranes</li> <li>• Launching trusses for placement of girders/segments</li> <li>• Incremental launched structures</li> <li>• Balanced cantilever construction</li> <li>• Jacking or moving a large superstructure into its final position</li> </ul>	<ul style="list-style-type: none"> <li>• Very heavy foundations, including complex rock sockets at depth &gt; 10m</li> <li>• Difficult installation conditions, including poured insitu piles in wet conditions</li> <li>• Pile installation from floating equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Modular expansion joints or bespoke designs for very large movement</li> <li>• Complex and/or very heavily loaded bearings</li> </ul>	<ul style="list-style-type: none"> <li>• Complex community/stakeholder interfaces and project management</li> <li>• More complex consultant team coordination and/or management</li> <li>• Complex design management</li> <li>• Complex environmental management, working near ecologically sensitive marine environment, navigational waterways</li> </ul>

**Notes:**

1. When determining the applicable prequalification category, the Participating Agency will consider the predominance of characteristics for each project, rather than considering a single characteristic in isolation. For example, for a roadworks contract to be classified as R2, at least 5 of the 10 typical characteristics for R2 listed in Table A1 above would need to be substantially applicable to the project concerned.
2. "Minor Works" is a classification of a project which is:
  - smaller or less complex than R1 or B1;
  - is missing essential elements of a R1 or B1 project; and/or
  - provides a high level of confidence to the Assessing Agency that the Applicant could successfully build a R1 or B1 project.
3. A Minor Works project may be considered to be relevant in an application for R1 or B1. Examples of Minor Works include:

- the construction of a sealed road and/or reinforced concrete structure for a residential, commercial, mining or industrial development;
  - construction of sealed hardstand areas, residential streets, carparks, large parking bays;
  - a significant unsealed rural road; and
  - pavement rehabilitation, without any other road construction.
4. Where a project comprises of roadworks/bridgeworks and other civil works, only the works undertaken specifically for the road/bridge will be considered. Earthworks, pavements, drainage works, project management, stakeholder management, environmental management etc undertaken for other parts of the development will not be considered.
  5. To be classified as a B2 project (or higher), the structure must be a bridge for vehicles, bicycles and/or pedestrians.
  6. To be classified as a R3/B3 (or higher) project, the road/bridge must:
    - have been constructed to a Participating Agency's specification or equivalent;
    - have been tendered by a Participating Agency or on behalf of a Participating Agency; and
    - at completion, be open to the public or under the care and control of a local council or Participating Agency.
  7. When assessing a project nominated by an Applicant, an independent assessment of the prequalification level applicable to that project will be made. In some instances, this may not coincide with the level nominated by agency which called the tender.
  8. Where subcontractors are extensively used on a project, the following must be satisfied for that project to be considered in the application:
    - the applicant's management systems are used on the site;
    - where applicable under the relevant WHS legislation, the Applicant is the "Principal Contractor"; and
    - the site engineers, supervisors and project managers are employees of the Applicant.
  9. The Assessing Agency may exercise discretion as to whether the following are considered in the assessment:
    - projects which are currently under construction;
    - projects where another contractor was managing or controlling the site works (e.g. the Applicant is a subcontractor or working under a managing contractor contract);
    - projects which are for the partial construction of a road (e.g. the pavement construction is excluded from the contract) or bridge (construction of the substructure only); and
    - the construction of airport runways, train bridges or marine structures.
  10. In a joint venture arrangement, only the work undertaken by the Applicant will be considered.
  11. If a project was constructed under a different company name or by a related entity, the Applicant must be able to demonstrate that the resources and corporate knowledge from that project have been retained by the Applicant. Also refer to Clause 3.6.
  12. Fabricated overhead sign gantries are not classified as bridgeworks for the purposes of this prequalification system.

## 11 APPENDIX B – ASSESSMENT CRITERIA

Table B1 – Minimum Requirement for Each Category

	R1/B1	R2/B2	R3/B3	R4/B4	R5
<b>Criteria 1: Company Experience</b>					
<b>1.1 Minimum Period of Operation (approximate)</b>	3 years as a head contractor or 4 years as a major subcontractor	3 years as a head contractor	4 years as a head contractor	7 years as a head contractor	10 years as a head contractor
<b>1.2 Experience in Successfully Delivering Contracts</b>	Sound experience with at least two relevant Minor Works projects successfully completed in the last 3 years	Sound experience with the successful completion of at least two R1/B1 projects in the last 5 years	Sound experience with the successful completion of at least two R2/B2 projects in the last 5 years At least one of the nominated projects must have been tendered by a Participating Agency or on behalf of a Participating Agency	Sound experience with the successful completion of with at least three R3/B3 projects in the last 5 years At least one of the nominated projects is located in an urban “brownfields” environment with complex traffic management/ staging	Sound experience with the successful completion of with at least three R4 projects in the last 5 years At least one of the nominated projects is located in an urban “brownfields” environment with complex traffic management/ staging
<b>1.3 Demonstrated Performance</b>	The Applicant has not been responsible for a failure to complete a contract Good general performance on relevant contracts	The Applicant has not been responsible for a failure to complete a contract Good general performance on contracts relevant to R1/B1	The Applicant has not been responsible for a failure to complete a contract Good general performance on contracts relevant to R2/B2	The Applicant has not been responsible for a failure to complete a contract Good general performance on contracts relevant to R3/B3	The Applicant has not been responsible for a failure to complete a contract Good general performance on contracts relevant to R4
<b>Criteria 2: Company Resources and Technical Capability</b>					
<b>2.1 Organisational/ Managerial Structure</b>	The Applicant’s company structure and management structure are appropriate for the scale of projects to be undertaken in the applicable category	The Applicant’s company structure and management structure are appropriate for the scale of projects to be undertaken in the applicable category	The Applicant’s company structure and management structure are appropriate for the scale of projects to be undertaken in the applicable category	The Applicant’s company structure and management structure are appropriate for the scale of projects to be undertaken in the applicable category	The Applicant’s company structure and management structure are appropriate for the scale of projects to be undertaken in the applicable category
<b>2.2 Personnel</b>	The Applicant has sufficient personnel available to undertake R1/B1 projects	The Applicant has sufficient personnel available to undertake R2/B2 projects	The Applicant has sufficient personnel available to undertake R3/B3 projects	The Applicant has sufficient personnel available to undertake R4/B4 projects	The Applicant has sufficient personnel available to undertake R5 projects

	R1/B1	R2/B2	R3/B3	R4/B4	R5
<b>2.3 Key Personnel who are active in the entity's road/bridge works operations</b>	Key personnel have the qualifications and experience relevant to the duties and responsibilities of their nominated position	Key personnel have the qualifications and experience relevant to the duties and responsibilities of their nominated position	Key personnel have the qualifications and experience relevant to the duties and responsibilities of their nominated position	Key personnel have the qualifications and experience relevant to the duties and responsibilities of their nominated position	Key personnel have the qualifications and experience relevant to the duties and responsibilities of their nominated position
	At least one project manager is a Professional Civil Engineer with at least 3 years relevant experience in road/bridge works Or If not a Professional Civil Engineer, a project manager with relevant qualifications and at least 10 years relevant experience in road/bridge construction	At least one project manager is a qualified civil engineer with at least 5 years relevant experience in road/bridge works	At least 3 of the senior personnel are Professional Civil Engineers with at least 5 years relevant experience in road/bridge works	Typically, 8 or more (with an absolute minimum of 6) of the senior personnel are Professional Civil Engineers with at least 5 years relevant experience in road/bridge works	Typically, 15 or more (with an absolute minimum of 10) of the senior personnel are Professional Civil Engineers with at least 5 years relevant experience in road/bridge works
	Key professional/para-professional personnel and supervisory staff each have at least 2 years of experience in road construction/bridge contracts	At least half of the key professionals/para-professionals and key supervisory staff have at least: - 5 years construction experience; and - 2 years of experience each in R1/B1-type contracts	At least half of the key professionals/para-professionals and key supervisory staff have at least: - 5 years construction experience; and - 2 years of experience each in R2/B2-type contracts	At least half of the key professionals/para-professionals and key supervisory staff have at least: - 10 years construction experience; and - 2 years of experience each in R3/B3-type contracts	At least half of the key professionals/para-professionals and key supervisory staff have at least: - 10 years construction experience; and - 2 years of experience each in R4/B4-type contracts
<b>2.4 Plant and Equipment</b>	The Applicant has demonstrated the capability to provide the plant and equipment required to properly resource R1/B1 contracts	The Applicant has demonstrated the capability to provide the plant and equipment required to properly resource R2/B2 contracts	The Applicant has demonstrated the capability to provide plant and equipment required to properly resource R3/B3 contracts	The Applicant has demonstrated the capability to provide the plant and equipment required to properly resource R4/B4 contracts	The Applicant has demonstrated the capability to provide the plant and equipment required to properly resource R5 contracts

	R1/B1	R2/B2	R3/B3	R4/B4	R5
<b>Criteria 3: Management Systems <sup>(1)</sup></b>					
<b>3.1 Quality Management</b>	An independently audited system that meets the requirements of a checklist to be provided by TfNSW Or Third party certified to ISO 9001:2015 or AS/NZS ISO 9001:2016 by a JAS-ANZ accredited conformity assessment body	Third party certified to ISO 9001:2015 or AS/NZS ISO 9001:2016 by a JAS-ANZ accredited conformity assessment body  For NSW Local Government Councils seeking to carry out works under TfNSW Road Maintenance Council Contracts, an independently audited system that meets the requirements of a checklist to be provided by TfNSW	Third party certified to ISO 9001:2015 or AS/NZS ISO 9001:2016 by a JAS-ANZ accredited conformity assessment body	Third party certified to ISO 9001:2015 or AS/NZS ISO 9001:2016 by a JAS-ANZ accredited conformity assessment body	Third party certified to ISO 9001:2015 or AS/NZS ISO 9001:2016 by a JAS-ANZ accredited conformity assessment body
	Satisfactory corporate quality policy and example quality plans and ITP plans	Satisfactory corporate quality policy and example quality plans and ITP plans	Satisfactory corporate quality policy and example quality plans and ITP plans	Satisfactory corporate quality policy and example quality plans and ITP plans	Satisfactory corporate quality policy and example quality plans and ITP plans
		Evidence of successful utilisation of the QMS on relevant projects	Evidence of successful utilisation of the QMS on relevant projects	Evidence of successful utilisation of the QMS on relevant projects	Evidence of successful utilisation of the QMS on relevant projects
		No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body

<sup>(1)</sup> Where third party certification of management systems is required for categories R1/B1, the independent auditor that assesses the Applicant's management systems against the checklists or certifies the Integrated Management System must be:

- engaged by a conformity assessment body accredited by the Joint Accreditation System for Australia and New Zealand (JAS-ANZ) to the relevant standard (<http://www.jas-anz.com.au>), or
- registered by Exemplar Global (or equivalent), with experience in the civil construction industry (refer: [www.exemplarglobal.org](http://www.exemplarglobal.org)).

Third party certificates must state that the certification specifically applies to road/bridge construction. A reference to other categories alone (e.g. civil construction) is insufficient.

	R1/B1	R2/B2	R3/B3	R4/B4	R5
<b>3.2 Work Health and Safety<sup>(2)</sup> (WHS)</b>	An independently audited system that meets the requirements of a checklist to be provided by the Assessing Agency Or Third party certified to AS/NZS 4801 or to ISO 45001 <sup>(3)</sup> by a JAS-ANZ accredited conformity assessment body	Third party certified to AS/NZS 4801 or to ISO 45001 <sup>(3)</sup> by a JAS-ANZ accredited conformity assessment body  For NSW Local Government Councils seeking to carry out works under TfNSW Road Maintenance Council Contracts, an independently audited system that meets the requirements of a checklist to be provided by TfNSW	Third party certified to AS/NZS 4801 or to ISO 45001 <sup>(3)</sup> by a JAS-ANZ accredited conformity assessment body	Third party certified to AS/NZS 4801 or to ISO 45001 <sup>(3)</sup> by a JAS-ANZ accredited conformity assessment body	Third party certified to AS/NZS 4801 or to ISO 45001 <sup>(3)</sup> by a JAS-ANZ accredited conformity assessment body
	Satisfactory corporate WHS policy and example WHS plans	Satisfactory corporate WHS policy and example WHS plans	Satisfactory corporate WHS policy and example WHS plans	Satisfactory corporate WHS policy and example WHS plans	Satisfactory corporate WHS policy and example WHS plans
	Evidence of successful utilisation of the WHS system on relevant projects	Evidence of successful utilisation of the WHS system on relevant projects	Evidence of successful utilisation of the WHS system on relevant projects	Evidence of successful utilisation of the WHS system on relevant projects	Evidence of successful utilisation of the WHS system on relevant projects
	No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body	No unresolved major non-conformances from its certifying body
	No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved Improvement Notices or Infringement Notices from a regulatory body
	Lost Time Injury Frequency Rate for the past three years are similar to or less than industry averages	Lost Time Injury Frequency Rate for the past three years are similar to or less than industry averages	Lost Time Injury Frequency Rate for the past three years are similar to or less than industry averages	Lost Time Injury Frequency Rate for the past three years are similar to or less than industry averages	Lost Time Injury Frequency Rate for the past three years are similar to or less than industry averages

<sup>(2)</sup> Accreditation under the Australian Government's Building and Construction WHS Accreditation Scheme is deemed to satisfy the WHS requirement for prequalification at all levels.

<sup>(3)</sup> The International Standard on Occupational Health and Safety (OHS) ISO 45001:2018 was published by Standards Australia as a joint Australian/New Zealand standard in October 2018.



	R1/B1	R2/B2	R3/B3	R4/B4	R5
<b>3.3 Environmental Management Systems (EMS)</b>	An independently audited system that meets the requirements of a checklist to be provided by TfNSW Or Third party certified to AS/NZS ISO 14001 by a JAS-ANZ accredited conformity assessment body	Third party certified to AS/NZS ISO 14001 by a JAS-ANZ accredited conformity assessment body For NSW Local Government Councils seeking to carry out works under TfNSW Road Maintenance Council Contracts, an independently audited system that meets the requirements of a checklist to be provided by TfNSW	Third party certified to AS/NZS ISO 14001 by a JAS-ANZ accredited conformity assessment body	Third party certified to AS/NZS ISO 14001 by a JAS-ANZ accredited conformity assessment body	Third party certified to AS/NZS ISO 14001 by a JAS-ANZ accredited conformity assessment body
	Satisfactory corporate environmental policy and example environmental management plans	Satisfactory corporate environmental policy and example environmental management plans	Satisfactory corporate environmental policy and example environmental management plans	Satisfactory corporate environmental policy and example environmental management plans	Satisfactory corporate environmental policy and example environmental management plans
		Evidence of successful utilisation of the EMS on relevant projects	Evidence of successful utilisation of the EMS on relevant projects	Evidence of successful utilisation of the EMS on relevant projects	Evidence of successful utilisation of the EMS on relevant projects
		No unresolved major non-conformances from its certifying body No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved major non-conformances from its certifying body No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved major non-conformances from its certifying body No unresolved Improvement Notices or Infringement Notices from a regulatory body	No unresolved major non-conformances from its certifying body No unresolved Improvement Notices or Infringement Notices from a regulatory body
<b>3.4 Traffic Management</b>	Satisfactory system in place for the management of traffic at worksites through properly trained and accredited in-house resources or established sub-contract arrangements	Satisfactory system in place for the management of traffic at worksites through properly trained and accredited in-house resources or established sub-contract arrangements	Satisfactory system in place for the management of traffic at worksites through properly trained and accredited in-house resources or established sub-contract arrangements	Satisfactory system in place for the management of traffic at worksites through properly trained and accredited in-house resources or established sub-contract arrangements	Satisfactory system in place for the management of traffic at worksites through properly trained and accredited in-house resources or established sub-contract arrangements
	Satisfactory example traffic management plan appropriate to the category applied for	Satisfactory example traffic management plan appropriate to the category applied for	Satisfactory example traffic management plan appropriate to the category applied for	Satisfactory example traffic management plan appropriate to the category applied for	Satisfactory example traffic management plan appropriate to the category applied for
<b>3.5 Subcontractor Management</b>	Satisfactory approach to the management of subcontractors and evidence of fair dealing with subcontractors	Satisfactory approach to the management of subcontractors and evidence of fair dealing with subcontractors	Satisfactory approach to the management of subcontractors and evidence of fair dealing with subcontractors	Satisfactory approach to the management of subcontractors and evidence of fair dealing with subcontractors	Satisfactory approach to the management of subcontractors and evidence of fair dealing with subcontractors

	R1/B1	R2/B2	R3/B3	R4/B4	R5
	Referee comments are generally positive and no issues have been raised regarding subcontractor management	Referee comments are generally positive and no issues have been raised regarding subcontractor management	Referee comments are generally positive and no issues have been raised regarding subcontractor management	Referee comments are generally positive and no issues have been raised regarding subcontractor management	Referee comments are generally positive and no issues have been raised regarding subcontractor management
<b>3.6 Management of the Relationship with the Client</b>	Has successfully participated in partnering/relationship management at a level relevant to category R1/B1 and demonstrates a positive attitude and willingness	Has successfully participated in partnering/relationship management at a level relevant to category R2/B2 and demonstrates a positive attitude and willingness	Has successfully participated in partnering/relationship management at a level relevant to category R3/B3 and demonstrates a positive attitude and willingness	Has successfully participated in partnering/relationship management at a level relevant to category R4/B4 and demonstrates a positive attitude and willingness	Has successfully participated in partnering/relationship management at a level relevant to category R5 and demonstrates a positive attitude and willingness
<b>3.7 Community/Stakeholder Engagement</b>		Evidence of successful community/stakeholder engagement activities on relevant past projects	Evidence of successful community/stakeholder engagement activities on relevant past projects	Evidence of successful community/stakeholder engagement activities on relevant past projects	Evidence of successful community/stakeholder engagement activities on relevant past projects

#### Criteria 4: Financial Capacity Assessment Methodology

<b>4.1 Preliminary Contract Capacity</b>	<ul style="list-style-type: none"> <li>The preliminary contract capacity is assessed as five times the assessed working capital. This is based on the core working capital determined from the entity's balance sheet (current assets less current liabilities).</li> <li>Satisfactory evidence of the collectability of related entity loans should be provided.</li> </ul>
<b>4.2 Application of Additional Risk Overlays that May Potentially Reduce the Assessed Contract Capacity Limit</b>	<ul style="list-style-type: none"> <li>Limit the preliminary contract capacity to be no greater than 12.5 times net tangible assets.</li> <li>Application of key financial indicators as minimum requirements for prequalification: Quick Ratio of 0.8 or greater.</li> </ul>
<b>4.3 Qualitative Adjustment</b>	<ul style="list-style-type: none"> <li>In assessing the qualitative adjustment, assessors will be required to refer to detailed guidelines.</li> <li>Based on the assessing consultant's experience, a comprehensive qualitative assessment may influence a further upward or downward adjustment after calculation of the preliminary contract capacity and the application of the risk overlays.</li> <li>The qualitative adjustment will consider matters such as: <ul style="list-style-type: none"> <li>(a) Governance, including details of accounting policies and controls, budget preparation processes, risk management practices, internal financial skills and qualifications, internal financial management reporting and review processes.</li> <li>(b) Application of Accounting Standards.</li> <li>(c) Age of business, management experience, balance sheet management, etc.</li> <li>(d) Aging of debtors and creditors as at the latest reporting date.</li> <li>(e) Value, number and nature of registered charges.</li> <li>(f) Age of banking relationship.</li> </ul> </li> </ul>

	R1/B1	R2/B2	R3/B3	R4/B4	R5
					<p>(g) Value and number of current contracts in progress, and the nature of each client.</p> <p>(h) Budgets and cashflow projections.</p> <p>(i) Consideration of the Debt-to-Equity Ratio. If better or worse than a benchmark of 60/40.</p> <p>(j) The revenue or average of previous three years, whichever is the greater.</p> <p>(k) Consideration of recent profit (after income tax) performance over the past three years.</p> <p>(l) Management Accounts vs. Compilation Statement vs. Audited Financial Statements.</p> <p>(m) Audit qualifications.</p> <p>(n) Extent of adoption of accounting standards and their transparency.</p> <p>(o) Details gleaned from credit reports, credit references from suppliers and subcontractors and other publicly available information.</p> <p>(p) Availability of credit lines or demonstrated capacity to obtain additional debt or equity.</p> <p>(i) Availability of credit lines may be determined by a reasonably conclusive means by way of:</p> <ul style="list-style-type: none"> <li>- existing undrawn credit lines which should be evidenced by way of a facility approval letter;</li> <li>- proposed or committed credit lines which should be evidenced by way of an unconditional (or reasonable limited conditions) indication that a loan would be provided if applied for.</li> </ul> <p>(ii) Alternatively, capacity to borrow may be considered based on:</p> <ul style="list-style-type: none"> <li>- availability of funds in a related entity and assessment of the likely availability of those funds to support the entity being assessed;</li> <li>- the consultant's assessed strength of the balance sheet and trading history and an indication from the entity that they would be willing to borrow to meet working capital requirements, in need.</li> </ul> <p>(iii) For smaller entities, capacity to obtain additional equity will require assessment of the shareholders' or directors' capacity to contribute funds following their indication of a willingness to do so.</p> <p>(iv) For larger entities, direct input from the entity concerned in relation to any proposed new equity would need to be assessed.</p> <p>(v) In each of the above cases, the effect of the new/increased debt or equity on the financial standing of the entity would need to be considered.</p> <p>(q) Upward adjustments to the preliminary contract capacity, while not limited, must be flagged with an asterisk when the adjustment is more than one level. For example, if contractor is assessed at F5 after the preliminary assessment and overlays, it may be adjusted to an F10* or F25* etc.</p> <p>(r) Downward adjustments to the preliminary maximum contract limit calculation are not limited and may decline to zero where unfavourable assessments prevail.</p>
<b>4.4 The Result – An Assessed Contract Capacity</b>	The assessed contract capacity is the recommended Financial Level, and reflects the maximum additional aggregate contract cash flow commitment over a 12-month period, assuming a relatively even spread of cash flow over that period.				

**Note:** Financial assessments will be based on statutory year-end accounts, or if the financial information is not audited, then a Compilation Report from a suitably qualified accountant.