

Introduction to Contractor Prequalification

A company **MUST** be prequalified by INDOT as a contractor if:

- (1) The company bids on INDOT work as prime contractor
- (2) The company subcontracts for more than \$300K in total INDOT at one time
- (3) The company bids or subcontracts for more than \$300K in local government work that is the construction, improvement, alteration, repair, or maintenance of a highway, street, or road or alley

A company **DOES NOT** have to be prequalified as a contractor if:

- (1) The company only contracts to haul materials or supplies to or from an INDOT job site
- (2) The company subcontracts for INDOT work with a total value less than \$300K
- (3) The company contracts to perform a service for INDOT through the RFP process ¹

Applying for Contractor Prequalification ("CPQ")

All applications for contractor prequalification must be completed through the Contractor Prequalification application in ITAP ("CPQ"). Directions for how to access and complete an application using CPQ are outlined in the [CPQ User Guide](#) and [February 11, 2021 CPQ Training Session](#).

Certificate of Qualification

Companies approved for contractor prequalification are issued a certificate of qualification containing the work types the company is qualified to contract for. A list of INDOT contractor work types is found [here](#).

The certificate also states the maximum amount of work a contractor can have under contract at any one time ("aggregate rating"). A separate rating is also stated for each work type ("classification rating"), which is the maximum amount of work a company can have under contract and be eligible to perform work items designated with that INDOT work type.

The amount of work a company currently has under contract is called "unearned work". Unearned work includes work from all sources, not just INDOT. ²

The difference between a company's unearned work and its aggregate rating is referred to as "capacity". A contractor's capacity is the total amount of additional work the firm is eligible to complete at a given time. A company that does not have sufficient capacity to complete a work item is not qualified to bid or subcontract for that item.

Qualified and Responsible (Contractor Performance Regulation)

Only companies deemed qualified and responsible are eligible to do business with INDOT. It is the responsibility of the prequalification division to determine the extent to which a company should be eligible to bid and subcontract for INDOT work. Eligibility is based on a thorough review of each company's financial position, technical competency and experience, equipment and personnel, and performance history. Other factors such as business organization, safety record, and professional

¹ Firms providing services for an INDOT project are referred to as "consultants" and must be prequalified pursuant to the consultant prequalification process outlined in the [Consultant Prequalification Manual](#).

² For non-prequalified subcontractors doing less than \$300K in total INDOT work at any time, unearned work refers to INDOT work only.

certifications are also considered, along with any other circumstance deemed relevant to the company's qualifications and responsibility.

A company's eligibility is regulated throughout the duration of their certificate of qualification. If performance issues are identified after a certificate is issued, those issues will be addressed by the prequalification division through an escalatory process beginning with informal meetings and site visits and in some instances progressing to adverse action by the Prequalification Committee. The singular goal of the prequalification division's performance regulation is to facilitate improved project delivery and to enhance the regulated firm's partnership with INDOT. Punishment is never the objective of such proceedings and is not the framework in which INDOT operates the prequalification program.

In the event a matter is escalated to the Prequalification Committee, the subject contractor will be given no less than thirty (30) days notice of the date and time of the proceedings and given the opportunity to be heard by the Committee at such time. Proceedings before the Prequalification Committee are a last resort measure and, absent some extreme circumstance, will only be pursued after months of informal collaboration targeted at resolving the underlying performance shortcomings. As part of a company's prequalification, it is expected that firm principals and personnel will work with INDOT to resolve performance shortcomings as they arise and engage fully in the performance matter process. Most contractors who end up before the Prequalification Committee have either failed to adequately engage in the performance matter process or otherwise inadequately rectify identified shortcomings.

Contractor Prequalification Contacts

The most up-to-date prequalification team contact information can be found on INDOT's Contractor Prequalification website:

<https://www.in.gov/indot/doing-business-with-indot/contractorsconstruction/contractors-prequalification/>

General inquiries may be submitted to ContractorPrequal@indot.IN.gov