



Welcome

**Different Owners
and
Different Contractors!**

S p r e a d O u t ! ! ! ! !

THE SEQUEL!



ARE WE ALIGNED?

Best Practices Workshop



Agenda

- Introductions
- Recap from BP XVIII
 - Committee Scope and Objectives
- Your feedback from BP XVIII
- Progress This past year
 - Best Practice Guide
 - Process flow chart
 - Key prequalification criteria
- Group Exercises
- Open discussion, Q&A



Introductions

Owners



Contractors



Academia





Who We Are

Frank DeLuca



Jim Freiburger



Bill Somerville



Joe Varughese



Marcello Tarantini



Troy Ritcy





Who We Are

Wayne MacFarlane



Nicola Haig



Dr. Aminah Robinson Fayek



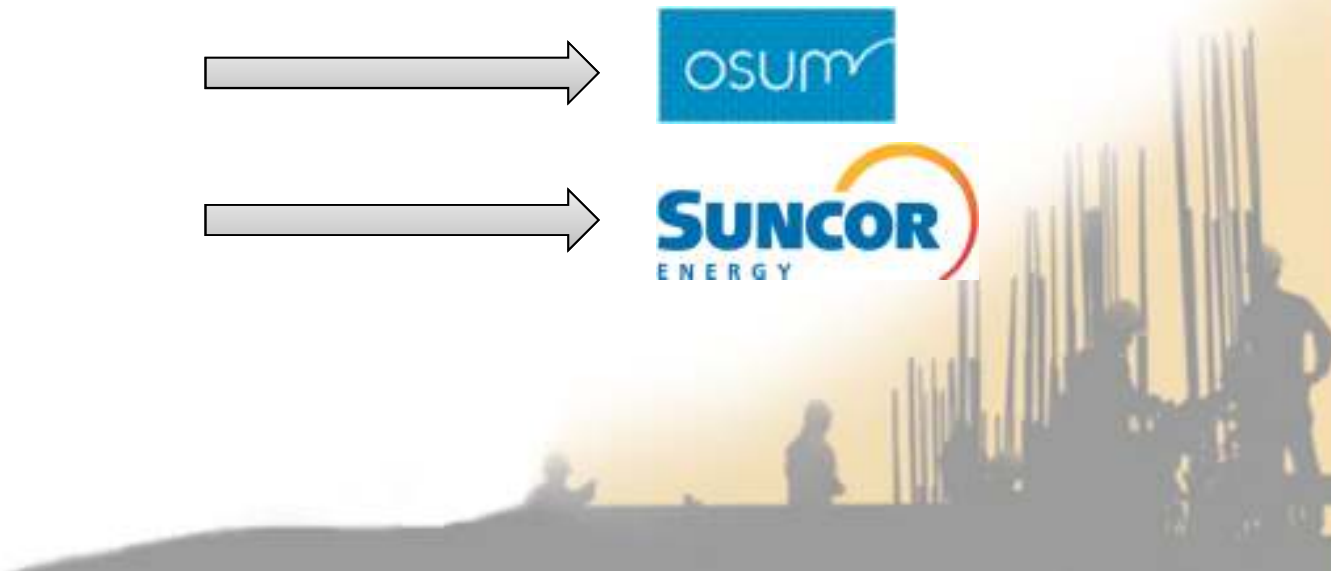
Bill VanVeelen



Hal Middlemiss



Ken Oben





Recap May 2010 Subcommittee Work Scope

- First principles approach to determine what the prequalification objectives are.
- Develop a documented Best Practices process.
- Review and leverage previous COAA work.
- Not the intent of the committee to generate detailed prequalification procedures or templates - it is understood that Owners have and will develop their own specific standards.



Prequalification Objectives

Everyone's goals – A safe project on schedule, on budget, complying to specified requirements

Need to choose and work with Contractors/Subcontractors that are competent and are capable of performing the work to Owner requirements

Need to implement a comprehensive, effective and efficient work process to select the right contractors

Our committee's Objective: To establish a Best Practice process that assists Owners and Contractors to complete contractor prequalification in a consistent, effective and efficient manner!



What We Suggested at BP XVIII

A Business Need to Improve an Inefficient, Ineffective Practice:

- Numerous inefficient, inconsistent, costly and resource intensive methodologies currently used to prequalify Contractors (inconsistent requirements, formats, etc.), causing much redundancy:

Contractor Resources and Time = \$ Cost to Owners

- Is the required information shared and evaluated between the contracting parties?
- What information is suited to be gathered by 3rd Party?
- Are current processes providing 'best practice' prequalification to meet Owner and Contractor objectives?

You Told Us We're On To Something!!

**What have we done this last year and
Where are we now....**





What You Told Us - BP XVIII Workshop Feedback

Are current industry prequalification processes efficient and cost effective?

	A- yes efficient and Cost Effective		B - No -inefficient and expensive		C - Uncertain	
	Votes	%	Votes	%	Votes	%
Owner	8	44%	34	23%	38	42%
Construction Contractor	9	50%	79	53%	21	23%
Labour Provider	0	0%	10	7%	3	3%
Designer/Engineer/Planner	1	6%	12	8%	13	14%
Other Consultant	0	0%	4	3%	6	7%
Material supplier	0	0%	2	1%	0	0%
Government	0	0%	0	0%	1	1%
Other	0	0%	9	6%	9	10%
Overall Total	18	100%	150	100%	91	100%
Overall Percentage	7%		58%		35%	

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What You Told Us - BP XVIII Workshop Feedback

Who should be accountable for prequalification of subcontractors?

	Owner		Contractor		3rd Party Qualification Service provider		Not Applicable - Subcontractors should not be required to Prequalify	
	Votes	%	Votes	%	Votes	%	Votes	%
Owner	22	36%	53	29%	5	28%	0	0%
Construction Contractor	20	33%	79	43%	8	44%	2	100%
Labour Provider	5	8%	8	4%	1	6%	0	0%
Designer/Engineer/Planner	3	5%	18	10%	3	17%	0	0%
Other Consultant	6	10%	8	4%	0	0%	0	0%
Material supplier	0	0%	3	2%	0	0%	0	0%
Government	1	2%	1	1%	0	0%	0	0%
Other	4	7%	13	7%	1	6%	0	0%
Overall Total	61	100%	183	100%	18	100%	2	100%
Overall Percentage	23%		69%		7%		1%	

On the Roadmap to Implementation

2009-2011



2011



2012



FUTURE





Progress.....

- Committee reviewed and understood your feedback.
- Discussed and agreed on the scope of a “Best Practice” for Contractor Prequalification.
- Reviewed some third party Contractor / Vendor compliance management systems
- Ensured the objectives and outcome would not be in contradiction with each parties ISO compliance
- Considered the impact of key WCB information
- Consolidated and generated our recommended documents that detail the “Best Practice”.

Best Practices XIX workshop is the time to share our progress, work product generated and get a pulse check from you.



Key Concepts & Benefits

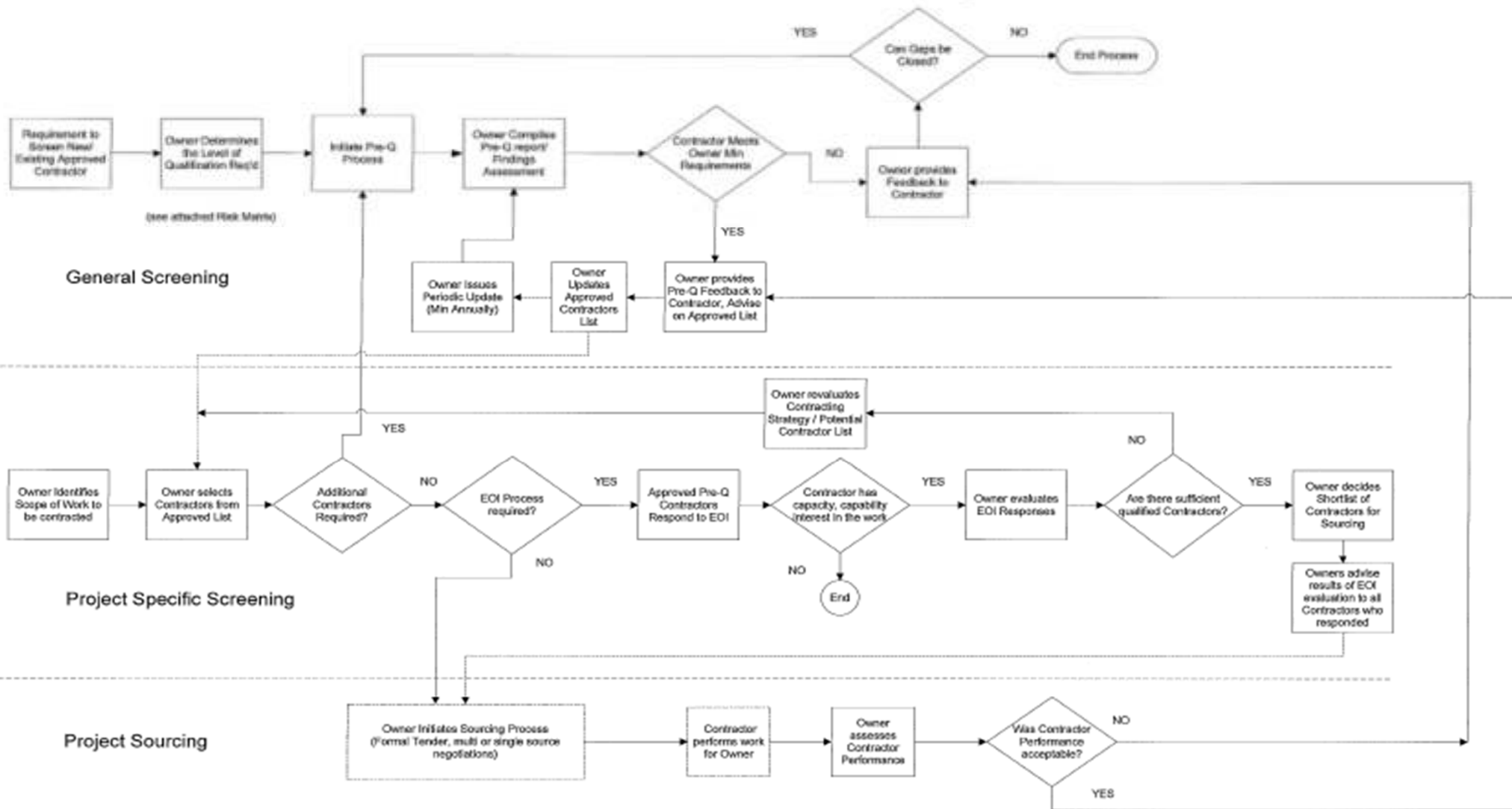
- Pre-qualification questions should be relevant to the maturity of project (i.e. staged)
- Be thorough / Do it right – but once per stage (single point contact)
- Let the correct person collate the information – contractors qualify their own sub-contractors and vendors
- Response analysis must be undertaken by suitably qualified personnel
- Follow the stages – where possible avoid last minute pre-qualification “to make up the number of bidders”!



Pre-qualification Best Practice Guide

- Three key stages defined:
 - General Screening
 - Project Specific Screening (EOI)
 - Project Sourcing (RFP)
- Key information to be gathered each stage.
- Key principles / success factors for Best Practice Contractor Prequalification.
- Work process flow diagram.
- Evaluation Methodology & criteria.

Group Exercise 1 “Process Map”





Group Exercise 2

Pre-Qualification Self Assessment: Current Reality?



NEXT YEAR

- Estimate Cost of PreQualification to Industry?
- Finalize Process Map & Issue Best Practice!
- Promote Use of Best Practice!
- Finalize Website!





Q&A?



Discussion!



Comments?





Thanks!

Thank-you for your participation and suggestions!

Your input and involvement will assist the subcommittee to develop best practices in Contractor Prequalification, which will benefit both Owners and Contractors.



Please see Frank DeLuca at the end of the session.

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