

Subcontractor Prequalification Guidelines & Requirements

Subcontractor Prequalification (PQ) is the process of evaluating a Subcontractor's business to assess the health of their organization & gain insight into their overall capabilities. The table below outlines the PQ type and requirements based on contract limits (i.e., cost estimate provided by the subcontractor). The application and all documents will be reviewed by the PQ, Safety, Risk, HR, and Finance teams as required. Any action items will be directed to the subcontractor to resolve.

Upon review & approval by all departments, the PQ team will update CMiC with the subcontractor's approved SPL and APL limits. The PQ Team will notify the Project Team that limits have been set and a work order can be issued. This process can take up to 7 days.

****Project Team:** Please have your subcontractors send the PQ application and all documents directly to you for review to ensure a complete PQ package is being submitted. Once you have a complete PQ package, please email it to prequalification@solvenergy.com

TYPE	CONTRACT LIMITS	SAFETY LIMITS	REQUIREMENTS	NOTES
DEFAULT	Up to \$250,000 SPL \$562,000 APL	N/A	<ul style="list-style-type: none"> Subcontractor must be set up in CMiC as a Business Partner. All Subcontractors are set at the default limits without any further requirements. 	<ul style="list-style-type: none"> If the Subcontractor is not set up in CMiC, please request a W-9 to begin process. PQ Expiration is 1/1/2098
PARTIAL PREQUAL	For Contract amounts between: \$250,000 SPL & \$562,000 APL <i>up to</i> \$1,999,999 SPL & \$4,499,998 APL	EMR Score ≤ 1	<ul style="list-style-type: none"> Completed Prequalification Application OSHA Forms 300 & 300A (prior 3 years) Experience Modification History Letter (prior 3 years) Letter of Explanation & Safety Program/Policy improvements if EMR greater than 1.25 Certifications for highest ranking safety professional in company Evidence of Insurance Copy of Substance Abuse Policy A Bond Rate from Surety company is required for SPL above \$1,000,000 	<ul style="list-style-type: none"> Application & Requirements are on The Grid: PQ Application & Requirements. Safety review required only when EMR exceed requirements or another potential red flag). Bond Rate, when provided, allows a subcontractor to prequalify for higher limits. Subcontractor must meet the project specific insurance limits per the work order attachment. Substance Abuse Policy required to be in place (reviewed by HR). PQ expiration is 18 months from approval date.
FULL PREQUAL	For Contract amounts: \$2,000,000 SPL and higher APL = SPL x 2.25%	EMR Score ≤ 1	<ul style="list-style-type: none"> Completed Prequalification Application OSHA Forms 300 & 300A (prior 3 years) Experience Modification Rate History Letter (prior 3 years) Letter of Explanation & Safety Program/Policy improvements if EMR is greater than 1.25 Certifications for highest ranking safety professional in company Evidence of Insurance Copy Substance Abuse Policy A Bond Rate from Surety company is required for SPL above \$1,000,000 Financials (audited) 	<ul style="list-style-type: none"> Application & requirements are on The Grid: PQ Application & Requirements. Safety review required only when EMR exceed requirements or another potential red flag). Bond Rate, when provided, allows a subcontractor to prequalify for higher limits. Subcontractor must meet the project specific insurance limits per the work order attachment. Substance Abuse Policy required to be in place (reviewed by HR). PQ expiration is 18 months from approval date.
EXCEPTION REQUEST	If a subcontractor cannot meet the PQ requirements (financial or safety) for their proposed contract amount, an exception request (ER) is required.		<ul style="list-style-type: none"> Contract must be entered into CMiC with all Exception Requests tabs completed. Once the PM workflows the contract it will begin the routing for approval. 	<ul style="list-style-type: none"> Project team to enter and manage this process.

Glossary

PQ: PREQUALIFICATION

The process of reviewing safety, surety, project history, and financial information to gain insight into the overall health & capabilities of a subcontractor.

SPL: SINGLE PROJECT LIMIT

Maximum amount for a single contract on a per project basis.

APL: AGGREGATE PROJECT LIMIT

Maximum amount of all open contracts on all projects. APL is %2.25 X SPL.

EMR: EXPERIENCE MODIFICATION RATE

This is a metric used by insurance carriers to gauge the past cost of workers compensation claims and the future probability of claims.

SOLV requirement: EMR ≤ 1.

ER: EXCEPTION REQUEST: The process initiated in CMiC when a subcontractor does not meet the safety or financial PQ requirements. An exception request will require multiple levels of approval based on the contract amount.