Capital Works Management Framework

Contractor PQC Application Guide
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Queensland Department of Housing and Public Works
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(Department of Housing and Public Works)

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Contents

1.0 Introduction ........................................................................................................................................... 4
2.0 Contractor PQC Application ................................................................................................................... 5
   Form 1 Applicant Details ......................................................................................................................... 5
   Form 2 Self Assessment ............................................................................................................................ 8
   Form 3 Office Details ............................................................................................................................... 9
Attachment 1: Definitions ............................................................................................................................ 13
1.0 Introduction

The Department of Housing and Public Works (DHPW), on behalf of the Queensland Government, administers a system of prequalification for contractors in the building and construction industry known as the Prequalification (PQC) System. Contractors must first be prequalified and appropriately registered on the PQC System to be eligible to compete for any Government building project estimated to exceed $500,000 in value. However, PQC registration must not be considered as a guarantee of success in being awarded a Government building contract.

This guide provides detailed information for applicants seeking registration on the PQC System for building industry contractors as a basis for eligibility to undertake Government building projects. The terms “Applicant” and “Government building project” are defined in Attachment 1.

Minimum requirements for prequalification

Before completing and submitting an application, contractors must meet the minimum requirements for prequalification as outlined below:

- To prequalify as a company, contractors will need to provide an Australian Business Number (A.B.N.) that is registered for GST and an Australian Company Number (A.C.N.).
- To prequalify as a sole trader, applicants will need to provide an A.B.N. that is registered for GST.
- To prequalify under a trading name, applicants will need to provide a registered business name.
- Contractors must have a minimum Net Tangible Assets – Government figure of $81,001 calculated in accordance with the Contractor PQC Financial Requirements Guideline.
- Contractors must have a minimum Current Ratio of 1:1 calculated in accordance with the Contractor PQC Financial Requirements Guideline.
- All contractor services require registration or licensing by a statutory body. Registration/licence numbers and copies of certificates of registration/licence in the name of the business as appropriate are to be provided at the time of application.

Application forms and processing

There are three forms that need to be completed as part of the application process for contractors. All forms must be completed and forwarded to the PQC Registrar for processing. The three forms are comprised of Applicant Details, Self Assessment and Office Details.

Applications will generally be processed within four to six weeks after submission. Should there be any issues with the application, contractors will be contacted for additional information. Applications that fail to meet the minimum requirements for prequalification will not be processed.
Successful applicants will be issued with the following documents:

<table>
<thead>
<tr>
<th>Certificate of Prequalification (PQC)</th>
<th>This certifies that a contractor has achieved prequalification to undertake building projects for the Queensland Government. It states a PQC registration number and issue date.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule to Registration of Prequalification (PQC)</td>
<td>This identifies a contractor’s prequalification level and includes Office Registration Details that confirm key aspects of a contractor’s service provision (e.g. management systems, geographical areas of operation, contract categories and project types).</td>
</tr>
<tr>
<td>Conditions of Prequalification (PQC)</td>
<td>By submitting a PQC application, contractors agree (should the application be successful) to be bound by these conditions.</td>
</tr>
</tbody>
</table>

**Maintaining PQC details**

It is a Condition of Prequalification that contractors maintain their details in the PQC System. If these details are incorrect or not current, contractors may miss opportunities to be included on select lists and consequently not be invited to submit tenders for Government building projects. Should a contractor need to amend any details, they should contact the PQC Team. Some changes may require reassessment and/or supporting evidence.

**Further application details**

All application forms are able to be filled out by hand, or online. All application forms however, will need to be printed and signed by hand before being sent back to the PQC Team for processing.

**2.0 Contractor PQC Application**

**Form 1 Applicant Details**

**1.1 Applicant details**

**Name of applicant**

The entity (either an individual, a company or partnership) that is applying for prequalification as a basis for eligibility to tender for and enter into, building contracts with the Queensland Government.

**Trading name**

A trading or business name is a name under which a business operates. Where a company chooses to trade under a name other than its registered company name, it must register the trading name as a business name.

If a sole trader chooses to use the sole trader’s name as a business name (that is, given names and/or initials followed by the surname without any addition), the name does not have to be registered as a business name. However, if anything is added to the sole traders name (for
example John Smith Construction Services, John Smith Constructions Qld or John Smith and Associates), the name must be registered. For more information, visit www.asic.gov.au.

**Trading partners**

Trading partners are the names of the individuals who are in a partnership under which the business operates.

**Australian business number (A.B.N.)**

The Queensland Government requires that all contractors seeking to work on government building projects have an A.B.N. and that it is registered for GST purposes. For more information visit www.business.gov.au.

**Australian company number (A.C.N.)**

To be eligible for prequalification as a company, the company name must be correctly registered with the Australian Securities and Investments Commission (ASIC) and the company must be able to provide an A.C.N. For more information visit www.asic.gov.au.

**Web address (U.R.L)**

If the contractor has a web address, they are invited to provide details in this field.

**Current Ratio**

The Contractor is required to provide their Current Ratio figure in this section of the application form. Refer to the Contractor PQC Financial Requirements Guideline (Section 3.0) for information on how to calculate current ratio.

**Net tangible assets – Government (NTA-Govt)**

The contractor is required to provide their Net Tangible Assets for Government figure in this section of the application form. Refer to the Contractor PQC Financial Requirements Guideline (Section 2.0) for information on how to calculate NTA-Govt.

**Project specific joint venture**

Indicate whether or not the contractor is interested in forming or participating in a project specific consortium if the contractor’s business does not meet the prequalification requirements to undertake a contract associated with the project in its own right.

**Number of workers interstate and overseas**

If applicable, the contractor is to provide details on the total number of workers in interstate and overseas offices.

**1.2 Offices and Application Contact**

**Head office**

Refers to the location of the applicant’s head office.
Other/Regional offices

Refers to the location of the applicant’s regional offices that are to be included as part of this application.

Preferred contact for this application

Provide the name and contact details of the person who can be contacted by Queensland Government officers on matters relating to this application for prequalification and for ongoing prequalification queries. This may not apply to every office in the instance of multiple offices.

1.3 Licensing and registration

All contractor services require registration or licensing by a statutory body. The issuing body, registration/licence number, class or type of licence, restrictions (if any) and the allowable annual turnover (QBCC licences only) are to be provided. Some of the licensing bodies recognised by PQC are:

- Queensland Building and Construction Commission (QBCC)
- Department of Justice and Attorney-General (Electrical Licence)

1.4 WorkCover and Portable Long Service Leave

WorkCover

In accordance with the Workers’ Compensation and Rehabilitation Act 2003, contractors employing any workers at their workplace will need to provide their WorkCover policy number and certificate. For more information visit www.workcoverqld.com.au and follow the “employers” link.

Portable long service leave

If the applicant has any employees, registration with QLeave and a portable long service leave number is required.

1.5 Financial

These questions refer to the contractor’s compliance with the Queensland Government financial requirements relating to PQC registration. If ‘yes’ is answered to any of these question, a review by the PQC Registrar may be undertaken.

1.6 Prequal history

Details of other registration or prequalification status with other clients or authorities

Provide the name of the client or authority administering the prequalification system, for example the Department of Transport and Main Roads or the Brisbane City Council.

Has the applicant (including any partner) or any significant individual of the applicant previously applied for PQC registration in their own name or been a significant individual of another applicant?

This question refers to previous applications lodged in the applicant’s name or in the name of a partner or a significant individual of the applicant (see definition at Attachment 1) that sought PQC
registration associated with another business. If the answer is 'yes', supply the name under which the unsuccessful application was lodged and the date on which the application was made.

**Is the applicant (including any partner) or any significant individual of the Applicant currently registered on the PQC system in their own name or as a significant individual of another applicant?**

This question refers to a current PQC registration appearing in the applicant’s name or in the name of a partner or significant individual of the applicant (refer definition at Attachment 1) associated with another registrant on the PQC System. If the answer is 'yes', supply the name of the registrant.

1.7 Propriety

This series of questions relate to the contractor, or any partner or significant individual of the contractor’s history. If 'yes' is answered to any of these questions, the name of the person and details of the event must be provided.

1.8 Compliance

This series of questions relate to the contractor’s compliance history. If ‘yes’ is answered to any of these questions, additional information may be requested by the PQC Registrar.

**Form 2 Self Assessment**

The self assessment questions are designed to assist in determining each contractor’s PQC Level. The PQC Level is a numeric score (1,2,3 or 4) that provides an indication of each contractor’s capacity to handle contracts and manage the associated risks. Other indicators are derived from the application details and from feedback provided by referees.

A PQC Level of 1 indicates a business that meets basic industry standards. A score of 4 indicates a business that operates at the leading edge of practice in a global context. PQC Levels are not based on financial capacity or business size.

There are 80 self-assessment questions which involve choosing the most appropriate response from a selection of options. The questions are intended to give an indication of the business as a whole.

**Evidence requirements**

Responses to all questions must be able to be supported by appropriate evidence. The PQC Registrar may request to sight such evidence in order to verify your self-assessed PQC Level.

**Interpreting the questions**

The self-assessment questions refer to the business as a whole. If, for instance, one office of three meets a criterion ‘mostly’ but the others meet the criterion ‘sometimes’, then the business may rate as meeting this criterion ‘usually’, which is mid-way between ‘mostly’ and 'sometimes'.

As a sole trader, some questions, such as those referring to ‘all workers’, may not seem to apply. However in a sole trader firm, a reference to ‘all workers’ should be interpreted as referring to the sole trader.
Calculating the PQC Level

At the end of each set of questions, total the ticks in each column and transfer the totals.

Scoring

How many responses did you indicate for each category of questions?

<table>
<thead>
<tr>
<th>Category</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience</td>
<td></td>
<td></td>
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<tr>
<td>(questions 1-20)</td>
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<tr>
<td>Systems</td>
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<td>(questions 21-40)</td>
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<tr>
<td>People</td>
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<tr>
<td>(questions 41-60)</td>
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<tr>
<td>Business</td>
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</tr>
<tr>
<td>(questions 61-80)</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Total number of responses in each column.  

Multiply each column total (above) by the multiplier.  

\[ \text{Total Score} = \boxed{3} \]

Once the total of columns 4 and 5, and the total score has been calculated, transfer these calculations into the table to get your PQC level.

Form 3 Office Details

This form captures details specific to the office/s identified in Applicant Details. Make a copy of Form 3 and complete for each office as appropriate.

3.1 Office details

Name of applicant

The entity (either an individual, a company or partnership) that is applying for prequalification as a basis for eligibility to tender for, and enter into, building contracts with the Queensland Government.
Office location (town/city)

This is the location of the office a contractor wishes to prequalify on the register.

Office type (main/regional)

Offices are classified as Main Office or Regional Office. Where there is only one office, it should be classified as the Main Office.

Business address

Refers to the physical or 'street' address where the office is located.

Postal address

If the postal address is the same as the office address, indicate using the tick box.

3.2 Preferred contact for this office

The name and contact details of the person at this office who can be contacted by Queensland Government officers on matters relating to Government building contracts and prequalification queries relating to this office.

3.3 Significant individuals

In the table provided, list details of all Significant Individuals (refer to the definition of a Significant Individual at Attachment 1) associated with the business - their names, position within the business and their office location. Make additional copies of the table as required.

3.4 Management systems

When claiming certified status for management systems, all certificates must be third party certified by one of the following:

- A recognised Accredited Body through the Joint Accreditation Scheme of Australia and New Zealand (JAS-ANZ); or
- A recognised Accredited Body Member of the International Accreditation Forum (IAF), of which JAS-ANZ is a member.

Quality assurance

If claiming certified status, contractors are required to provide details of their Quality Management System (QMS) and a copy of their certificate and schedule at the time of application.

Permissible exclusions

AS/NZS ISO 9001:2008 permits exclusion of certain clauses that are not applicable to a business. A contractor claiming permissible exclusions from AS/NZS ISO 9001:2008 must list these in the space provided.

Clause 1.2 of ISO 9001:2008 defines the conditions under which a business can exclude certain requirements that are not relevant to their QMS. Exclusions are limited to sub-clauses within clause 7.
Environmental

Only contractors with an Environmental Management System (EMS) will have the opportunity to be invited to submit proposals on contracts that, due to their environmental sensitivity, require the contractor to have an EMS in place.

When claiming certified status for Environmental, contractors must provide a copy of their current certificate and Schedule at the time of application.

Occupational workplace health and safety

Contractors are required to provide details of their Occupational Health and Safety Management System (OHSMS) status at the time of application.

Certified - If claiming certified status, contractors must provide a copy of their current certificate and schedule.

Auditor Report – Contractors are required to provide a copy of the Auditor Report that satisfies the requirements of OHSMS.

3.5 Human resources listing for office

Record the number of workers for each category for each office. Where people perform more than one role, fractions can be used.

3.6 Areas of operation and maximum contract value

Maximum contract value ($)

The maximum GST inclusive contract value for which the contractor wishes to apply for should be listed. Unlimited $ should not be requested.

Areas of operation

Indicate all the mainland and/or island PQC regions in Queensland where this office is prepared to undertake work, or select all if wishing to undertake work in all regions throughout Queensland.

3.7 Contract categories listing

Indicate all of the contract categories for which the contractor is seeking registration for. A contractor is to provide evidence of completed projects in the project list (section 3.12) to support the contract categories applied for.

3.8 Service categories listing

Indicate all of the service categories for which the contractor is seeking registration for. A contractor is to provide evidence of completed projects in the project list (section 3.12) to support the service categories applied for.

3.9 Project types listing

Indicate all of the project types for which the contractor is seeking registration for. A contractor is to provide evidence of completed projects (or completed projects of a similar nature) in the project list (section 3.12) to support the project types applied for.
3.10 Service activity information

The PQC system recognise contractors (including trade contractors) who undertake a range of service activities. Eligibility for a specific service activity is based on the licence held by a contractor.

Generally, contractors who hold a Builder Open, Builder Medium Rise or Builder Low Rise QBCC licence are eligible for prequalification for “General Building”, “Non-Residential Interior Refurbishment and Fitout” and “House Building” as appropriate. These service activities allow the co-ordination of trade based services, where this is a requirement in the scope of work.

Contractors who primarily provide trade based services, will be considered for the respective or most appropriate service activities available.

The degree of complexity (Low, Medium and High) for each service activity should be used as a guide only.

3.11 Project environments listing

Contractors should indicate which project environments they are willing to work in. A low project environment would be a new or greenfield site. A medium project environment within a day use facility would be a project such as a school. A high project environment, within a 24 hour use facility would be a project such as a hospital.

Eligibility for the respective project environments will be based on the project examples provided by a contractor in the project list of this form (section 3.12).

3.12 Project listing

Contractors are required to provide details of relevant projects completed within the last three years, for which this office had primary responsibility and that support the project capabilities and service activities nominated at sections 3.7 to 3.11. The list may include non-government building projects.

Contractors should list projects undertaken by office. However, this will not preclude the project from consideration should another office within the organisation seek to use the project in order to demonstrate its capacity to undertake a similar project.

Copies of existing records in another format providing the same information may be acceptable.
Attachment 1: Definitions

**Applicant** is defined as the entity (either an individual, a company or partnership) that is applying for prequalification in order to be invited to submit proposals and enter into contracts with the Queensland Government.

**Government building project** generally means a building project for a ‘government department’, as defined in the *Financial Accountability Act 2009*. A government building project must be owned by a government department on completion.

Work covered by this definition includes:

a) the erection, establishment or construction of a building; or
b) any maintenance of a building assessed as high risk/significant; or
c) the repair, renovation, refurbishment, alteration, extension or improvement of a building or maintenance of a building combined with any of these works; or
d) the demolition or removal of a building; or
e) any site work (defined as building work under the *Queensland Building Services Authority Act 1991*) related to work of any kind associated with a) to d) above as a separate contract in itself; or;

f) the provision of services generally (including but not limited to power, lighting, communications, security systems, fire, heating, ventilation, air conditioning, lifts, travelators and escalators, water supply, sewerage or drainage) under installation or supply and installation contracts associated with a) to d) above as a separate contract in itself;

But excludes:

 g) service maintenance contracts associated with a building;
 h) the construction, maintenance or repair of a road under the *Land Act 1994*;
 i) the construction, maintenance or repair of a bridge;
 j) the construction, maintenance or repair of railway tracks, signals or associated structures;
 k) the construction, maintenance or repair of harbours, wharves and other marine structures not related to land based building work; and
 l) the construction, maintenance or repair of a dam.

The majority of government building projects involve construction of new buildings, extensions to buildings or major refurbishments to existing buildings.

Notwithstanding, this definition should be taken as a guide only and is not exhaustive. This definition does not capture grants to organisations that are external to government departments, although government departments making grants to such organisations may, at their discretion and after receiving advice from the Department of Housing and Public Works, attach conditions to a grant to give effect to specific elements of the *Capital Works Management Framework*.

Enquiries on the applicability to particular government building projects should be directed to the Building Policy Unit, Department of Housing and Public Works.
**Office** is defined as that office, which is not a site office, from which the normal contracting business of the Applicant is conducted.

**Registrant** is defined as the entity (either an individual, a company or partnership) that has satisfied the requirements for registration on the Queensland Government’s building industry contractor Prequalification (PQC) System and has been issued with a Certificate of Registration and an accompanying Schedule to Registration of Prequalification.

**Significant Individual** is:

a) an ‘influential person’ as defined in the Queensland Building and Construction Commission Act 1991, namely: “for a company, means an individual, other than a director or secretary of the company, who is in a position to control or substantially influence the conduct of the company's affairs, including, for example, a shareholder with a significant shareholding, a financier or a senior worker”;

b) a director, secretary, senior worker or senior Worker of the Applicant/Registrant; or

c) in the case of a sole trader or individuals in partnership:

i. the party/ies identified as the Applicant/Registrant; and

ii. an individual who is in a position to control or substantially influence the conduct of the Applicant's/Registrant's affairs, including, for example, a financier, a senior worker or senior Worker.

**Worker** as defined in the Workers’ Compensation and Rehabilitation Act 2003.