

Best Practices Guide:

*For Owners and Specifiers
When Prequalifying Concrete Floor Trade Contractors*

BY: PURCHASING CONSULTANTS INTERNATIONAL INC.

Creating a Benchmark for Quality Craftsmanship

It is recognized that owners and specifiers in both the public and private sectors cannot intimately know every industry with which they contract. Furthermore, the global construction landscape is constantly evolving with new innovative materials, methods and safety requirements. This presents a problem in evaluating the multitude of companies competing for construction work in a fair, open and transparent manner.

This report has been prepared by Purchasing Consultants International (PCI) to address the need for a clear, concise, and standardized best practices guide to be used in solicitation documents, and specifications when prequalifying and tendering Concrete Floor Trade Contractors (CFTC's). As a result, the owner/specifier will create a high enough benchmark to guarantee quality craftsmanship, while remaining open to a high level of competition between high-performance contractors.

Purchasing Consultants International has taken the following into consideration when preparing this document:

- Best practices from a procurement perspective in order to obtain the best value for money;
- Best practices from a trade perspective in order to produce high-quality finished concrete floors;
- Concrete Floor Trade marketplace in Canada
- The type of work,
- Safety risks associated; and
- Common competition risks and contract risks.



Increasing Competition and Contractor Interest

It is unfortunate, but good-hearted owners and specifiers often unintentionally reduce competition and contractor interest. Concrete Floor Trade Contractors are often frustrated by:

- Confusing specifications that are unclear and/or have conflicting terms.
- Long warrantee periods with a divided scope of work (eg: concrete supply, and/or part of the work supplied or performed by the General Contractor).
- Tenders being awarded to General Contractors who are not compliant with the specifications, and/or mandatory criteria but have the lowest price.
- Contracts that allocate all project risk to the contractor.

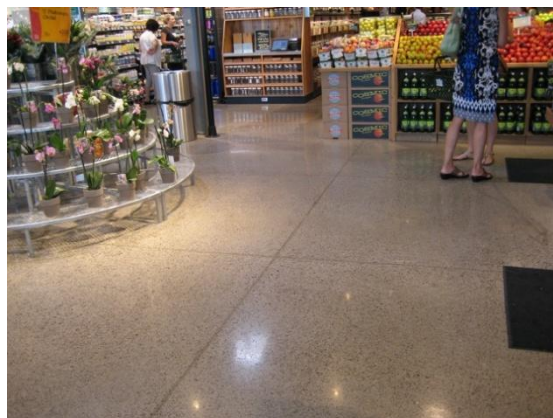
Apathy and bidder fatigue are the likely result after a period without winning a competition. A procurement process needs competition and interest in order to achieve the best value for money. Careful attention needs to be paid when creating prequalification and tender documents. The principles to keep in mind are:

- Fairness. A level playing field in terms of information disclosed, answers to questions, site meetings and background documents.
- Openness. Prequalification opportunities should be advertised well in various mediums and should allow enough time to garner a number of compliant responses.
- Transparency. All evaluation criteria must to be disclosed and subjectivity should be minimized. In essence, a contractor should have a good sense as to whether they will be prequalified or not.

Also, the owner/specifier should not prescribe the number of contractors that will be prequalified, but instead allow some flexibility. If the owner feels three (3) competitive, compliant bids at the tender stage are sufficient, the recommendation would be to prequalify “up to five (5) contractors”. This

way the owner can review all the scores and see where the natural split lies as often there are only a few points separating each submission. It should be noted that within the CFCA membership alone, one could obtain up-to fourteen (14) submissions from industry quality leaders.

Debriefing unsuccessful contractors is something for owners to take very seriously. Contractors need some idea of where they are lacking in order to keep submitting and become prequalified in the future. If an unsuccessful contractor is encouraged to bid again, feels respected, valued and understood, and understands that the process was fair, open and transparent, that will tremendously effect not only the owner's public image, but stimulate competition and prevent bidder fatigue.



Membership in the Concrete Floor Contractors Association (CFCA)

In creating best practices, the concerns raised by owners/specifiers must be addressed through the formal organization of all trade works through a competent and representative trade organization. The Canadian association that represents concrete floor contractors is the Concrete Floor Contractors Association. In PCI's research, it has found that CFCA members embrace and support owner/specifier concerns of quality, integrity, safety and value. Furthermore, the CFCA has the ability to hold its members accountable to those values and overall quality craftsmanship.

While this is not a mandatory criterion, it is highly preferable for trade contractors to belong to a credible trade association. PCI has found that membership in the CFCA should be included among scored criteria in the prequalification stage for three reasons:

1. The objective benefits to members, owners and specifiers.
2. The Code of Ethics to which all members agree.
3. The application process to become a member is a benchmark in itself.

CFCA Benefits to Members, Owners and Specifiers

The CFCA benefits its members as well as owners and specifiers in the following ways:

1. The CFCA participates in Canadian concrete standard development (CSA A23.1);
2. The CFCA mandates a quality plan for its members (preconstruction planning and corrective action);
3. The CFCA provides technical support to specifiers in relation to our trade work;
4. The CFCA provide technical support on projects employing CFCA members;
5. The CFCA standardizes industry ethics;
6. The CFCA defines and manages industry responsibilities;
7. The CFCA is an integrated community of high quality contractors and global materials suppliers;
8. The CFCA provides a standardized industry warrantee (including extended period options);
9. The CFCA is making efforts to standardize this trade work across Canada;
10. The CFCA makes efforts to increase skills and safety training for this trade work;
11. The CFCA educates its employers about technical standards and concrete materials;
12. CFCA members are committed to quality results; and
13. There are numerous CFCA members who can price a project (many prices stimulates competitive pricing).

CFCA Code of Ethics

Another benefit of belonging to such a trade association is that all members need to agree to a standard Code of Ethics. The CFCA Code of Ethics is as follows:

Members of the Concrete Floor Contractors Association are committed to the production of high quality concrete floors by supporting the following code of business practices:

- To operate our businesses in accordance with the highest standards of business practices at all times.
- To provide our employees with a safe and healthy workplace.
- To perform our work to meet the requirements of the Canadian Standard CSA A23.1 "Concrete Materials and Methods of Concrete Construction".
- To install all materials in accordance with the materials manufacturer's written instructions.
- To support an environment of individual initiative and free enterprise while respecting each other's contractual rights and privileges.
- To participate loyally in the future progress of the concrete flooring industry through committee participation and the exchange of knowledge to owners, specifiers and users of concrete floors.
- To make every effort to meet, and exceed when possible, the specified quality expectations of our clients.
- To perform our work as helpful and respectful members of the project team at all times.
- To supply and install all specified methods and materials without unapproved substitutions.
- To participate in the future progress of the concrete floor industry through continuing research, education and the transfer of knowledge to Owners, specifiers and users of concrete floors.

Membership in the CFCA is a privilege, earned through a commitment to quality. Failure of a member to observe these guiding principles will be considered as grounds for membership suspension or termination.

CFCA Application - Constitutional Requirements (Section 2.02)

In order to qualify for Contractor Membership in the Association, the applicant shall:

- a. Submit to the Association a fully completed application form, signed by the applicant or its authorized signing officer and accompanied by payment for the membership initiation fee and annual dues in force at the time;
- b. Demonstrate to the satisfaction of the Board of Directors, competence, expertise and a minimum of five years experience in the concrete floor industry;
- c. Demonstrate to the satisfaction of the Board of Directors, a reputation for professionalism, sound business practices, ethics and a commitment to safety, in the concrete floor industry;
- d. Be nominated for membership by a current member of the Association;
- e. Agree to be freely bound by the Constitution and Bylaws of the Association;
- f. Agree to be bound by the Code of Ethics of the Association;
- g. Have such other qualifications as the Board of Directors may, by resolution, require;
- h. Have a proven commitment to quality through completed concrete floor work and client references;
- i. Have an American Concrete Institute Certified Flatwork Finisher or Flatwork Technician on staff, or employed within a reasonable time of joining; and
- j. Participate in the betterment of the concrete floor industry.



Overall Evaluation Methodology

In order to obtain the best value for money in this industry it is necessary to control quality craftsmanship through a scored prequalification of CFTC's, followed by the tendering of the work to prequalified CFTC's where the lowest compliant bid will win the contract. It is most common to prequalify concrete floor trades for a pre-determined amount of years, which generates a high level of contractor interest and reduces administrative time of the owner/specifier. As each project arises, without delay, the work can then be tendered to the prequalified contractors either by the owner, or by specifying that the General Contractor must utilize the owner's prequalified concrete floor trade contractors list.

Prequalification Stage: In regard to Company Experience / Key Personnel and Approach / Methodology, mandatory criteria have been kept to a reasonable level, with scored criteria to be added by the owner/specifier which suits their unique organizational values and project specific goals.

The owner should allow those submitting for prequalification to do so utilizing their standard prequalification documents. If there is a specific requirement that is not standard, then a form should be provided to avoid any information being missed. The owner should provide a submission checklist that highlights all mandatory items to be submitted, and all scored items. The submission checklist is only a guide, and should not be required to be handed in with the prequalification.

It is also recommended that the owner/specifier attach a sample of the contract documents in order to provide transparency, and communicate the expectations of the contract to be signed by the successful bidder. Key expectations to be outlined in the contract are bonding requirements, insurance requirements, submittal procedures and dispute resolution. It is best to use a standardized industry contract such as an appropriate CCDC contract with supplementary conditions to be kept to a minimum or not included at all.

Tender Stage: At the tender stage, specifications should be clear and organized to suit the industry standard. Often times, concrete floor specifications are fragmented amongst a number of different Division 3 specification sections. PCI recommends the use of a single specification section, specifically section 03 35 00 which is recommended by the CFCA and conforms to the National Master Specification.

When specifying concrete floors there are two predominant approaches to determining responsibilities and the approach taken by the owner/specifier is a defining moment. 1) Traditional divided scope and responsibilities, or 2) Single source and full responsibility.

PCI has found that most problems arise due to the traditional divided scope and responsibility approach. The traditional divided approach is for basic surfaces (housing, institutional) but the supply of workmanship and materials by a number of unrelated firms is fraught with danger due to a lack of coordination and the opportunity for substitutions or omissions of materials (eg: supply of the wrong concrete, supply of unspecified materials, etc.). This undermines project synergy and allocates project risk in such a way that it is difficult to prove who is responsible in order to solve problems quickly as they arise.

The Single Source approach makes the concrete floor trade contractor responsible for the entire concrete floor construction. This includes the supply of all related materials and workmanship, with no divided responsibilities. PCI recommends the single source approach as it best satisfies the needs of the owner/specifier. As well, PCI has found most contractors prefer this Single Source approach. Responsibilities are clear and risk can be controlled by the concrete floor trade contractor.

The need for naming of trades is also important at the tender stage for a number of reasons:

- To identify elements of work to be self-performed or subcontracted.
- To make sure that the specified materials are ordered and used.
- To ensure that there is enough planning time to organize the work effectively.

- To ensure that the schedule can be met.
- To minimize unethical price shopping.

Lastly, pricing forms must be clear. Amounts to be transferred or carried forward must be clearly identified to avoid mathematical and clerical errors. It is also recommended that all prices be submitted “exclusive of all appropriate taxes.” With the possibility of the miscalculation of taxes, and ever changing tax rates provincially and federally, it is best to tender net of taxes, only to be added to the contract upon award.

Company Experience and Key Personnel - Mandatory Criteria

- Must have a minimum of five (5) years of experience in concrete floor construction.
- Must have a Flatwork Finisher or Flatwork Technician certified by the American Concrete Institute (ACI) on staff.
- Must identify a minimum of three (3) similar concrete flooring projects completed within the last three (3) years, including project details, approximate budgets, completion dates and references.
- Must name sub-trades by category in the prequalification stage, and confirm the same list of subcontractors in the tender stage.

Approach and Methodology - Mandatory Criteria

- Must comply with national standard CSA A23.1 Concrete Materials and Methods of Concrete Construction.
- Must comply with provincial building codes.
- Must comply with the minimum requirements of the provincial Occupational Health and Safety Act and Regulations for Construction Projects.
- Must retain as-built record of methods and materials used.
- Must use specified methods and materials without any unapproved substitutions.

- Must perform and record pre-construction planning activities (quality control planning and problem avoidance).
- Must commit to ethical business practices, specifically, to furnish all specified materials, equipment and personnel necessary to achieve the requirements of the contract documents.

Conclusion

There are many high-quality Concrete Floor Trade Contractors that are eagerly awaiting bidding opportunities. There are many owners and specifiers that are in search of best-value, and need great contractors, who have demonstrated experience and quality craftsmanship. It is recommended that owners and specifiers include membership in the Concrete Floor Contractors Association among scored prequalification criteria as a means of obtaining the best performance and value for their investment in concrete floors.

A best practices guide must address owner/supplier concerns, as well as contractor concerns and formulate a fair and balanced approach. This approach must address quality, integrity, safety and value for money. It must address project and contract risk. Most importantly, a best practices guide needs to give practical advice to owners and specifiers that is likely to be implemented, and is supported by the contractors it will effect.

The following attachment has been provided as a tool for owners and specifiers, and may be included directly in prequalification documents.

