

Business

Frequently Asked Questions

Which kinds of contracts can companies bid or subcontract on?

Bidder (Prime Contractor) – These contractors can bid on centrally let contracts (those let out of Raleigh) as well as division-let (those let out of a local division office) purchase order contracts (POCs) within the constraints of the limitations provided by bonding limits and/or their contractor's license. Bidders may also subcontract on any of the above contracts. The one limitation to bidders is that without a Small Business Enterprise (SBE) certification, they cannot pursue SBE POCs let by the divisions. This would apply also to subcontractors.

Subcontractor – These contractors can subcontract on centrally let contracts, as well as POCs.

Small Business Enterprise (SBE) Contractor – These contractors must be SBE-certified. This is a self-certification process. They must be certified prior to bid opening. They can have the status of bidder or subcontractor, but it is not necessary. They can bid on any purchase order contract that is advertised as a SBE contract. See SBE guidelines at www.ncdot.gov/business/ocs/sbe.

For further information, contact:

- Mickey Biedell, P.E., (919) 707-4803 (for prime contractors)
- Kalliopi Piersma, (919) 707-4813 (for subcontractors)
- Mickey Biedell, P.E., (919) 707-4803 (for POCs)

Are contractors who are certified as Disadvantaged Business Enterprises (DBEs) also prequalified or approved to be prime contractors or subcontractors on NCDOT contracts by virtue of their certification?

No. DBE certification is a separate and distinct event from prequalification to bid or do work for NCDOT. In order to bid or work on NCDOT contracts, DBE firms must also go through the prequalification process. The one exception is that SBE contracts, which do not require prequalification, must be self-certified. This self-certification is separate from DBE certification.

Are prequalified or approved prime contractors or subcontractors, by virtue of their prequalified status, also considered to be certified Disadvantaged Business Enterprises (DBEs)?

No. Prequalification to bid on or do work for NCDOT highway construction contracts is a separate and distinct event from DBE certification. In order to be certified as a DBE contractor, you must apply for that status separately. For information about DBE certification, go to <http://www.ncdot.gov/business/ocs/dbe>.

For further information, contact NCDOT State Contractor Utilization Engineer Benny Sloan at (919) 508-1940.

How can I listen to the highway letting as bids are read publicly or view the highway letting results?

Visit <https://connect.ncdot.gov/letting/Pages/NCDOT-Central-Letting-Webcast.aspx>

Where do I find information concerning the tentative letting list?

Go to <https://connect.ncdot.gov/letting/Pages/Central.aspx>.

Where do I find information concerning currently advertised projects for the NCDOT highway letting?

Visit <https://connect.ncdot.gov/letting/Pages/Central.aspx> .

Who do I contact if I have a question about a project currently under advertisement?

You may call NCDOT State Contract Officer Randy A. Garris, P.E., at (919) 707-6900 or e-mail him at rgarris@ncdot.gov.

Where can I find historical bid information?

Go to <https://connect.ncdot.gov/letting/Pages/Central.aspx> and look under "Archive."

For definitions of NCDOT business terms and explanations of contracting opportunities with the department, see below.

NCDOT Business Terms

- **Award** – The decision of the Department to accept the bid of the lowest responsible bidder for work that is subject to all contract conditions as may be provided by law, the proposal, and standard specifications.
- **Bid** – The offer of a bidder to the Department to perform the work and to furnish the labor and materials at the prices quoted.
- **Bid Bond or Bid Deposit** – The security furnished by the bidder with their bid as guaranty that they will furnish the required bonds and execute such documents as may be required if their bid is accepted.
- **Bidder** – An individual, partnership, firm, corporation, L.L.C. or joint venture formally submitting a bid for the work contemplated. Bidders must be prequalified as a "Bidder" prior to submitting a bid on a NCDOT project.
- **Centrally Let Contracts** – These typically are contracts that exceed the \$2.5 million threshold. The contracts are let in Raleigh and require a higher level of prequalification for prime contractors than contracts let out of the Division Offices.
- **Contract Payment Bond** – A bond furnished by the contractor and their corporate surety securing the payment of those furnishing labor, materials, and supplies for the construction of the project.
- **Contract Performance Bond** – A bond furnished by the contractor and their corporate surety guaranteeing the performance of the contract.
- **Contractor Prequalification** – Before beginning work, contractors (primes and all level subs) must be prequalified by the NCDOT to perform the specified work codes. The attached application is to prequalify a contractor interested in bidding as a subcontractor on any level contract, or as a prime on a division let POC. The application must be filled out to demonstrate sufficient ability and experience in related construction projects to perform the work, sufficient and readily available equipment to perform contracts in a timely manner and a completed Safety Index Rating Form. Once prequalified, firms must requalify every three (3) years, but must also renew their status annually. The purpose of the annual renewal is to make sure the Department

has an updated Safety Index on file, and all contact information is current.

- **Directory of Transportation Firms** – Once your firm is approved, you will show up in the Department's Directory of Transportation Firms at the contracting level requested. The Directory of Transportation Firms can be accessed at <https://apps.dot.state.nc.us/vendor/directory/>.
- **Fully Operated Rental Equipment (FORE)** – NCDOT routinely supplements its own equipment complement with privately-owned equipment for emergency response, force account construction or specialty equipment needs.
- **General Statute (G.S.)** – By following proper procedures and observing Constitutional limitations, the North Carolina General Assembly can create new laws and destroy old laws. The General Statutes are the governing laws of North Carolina.
- **Purchase Order Contract (POC)** – In accordance with G.S. 136-28.1, these are contracts under the \$5 million threshold that are let out of the Division Offices and specific central units. POCs include such projects as small construction, maintenance or repair. Purchase Order Contract bidders must be prequalified by NCDOT prior to bid submittal. If a bidder is not prequalified, the submittal is considered non-responsive.
- **Subcontractor** – An individual/ partnership, firm, joint venture, L.L.C. or corporation to whom the Contractor, with written consent of the Engineer, sublets any part of the contract. A firm that is not prequalified as a subcontractor will not be allowed to begin work on a Department project until they become prequalified.
- **Surety** – A corporate bonding company furnishing the bid bond or furnishing the contract payment and performance bonds.

Levels of Contracting

There are different levels of contracting in the North Carolina Department of Transportation (NCDOT). As the levels increase, so does the risk as it relates to the contractor. NCDOT is committed to helping to develop contractors, which is the reason for these levels to exist. To understand what the levels are and general information related to each, the following has been developed for your use. Contractors are encouraged to take the time to understand the different levels as well as the risk involved.

Level I: Fully Operated Rental Equipment (FORE) Contracts

This is the lowest level of risk to a contractor. NCDOT routinely supplements its own equipment complement with privately-owned equipment for emergency responses, force account construction or specialty equipment needs. In order to be considered by NCDOT, a contractor must complete a FORE proposal (Form RE-1) and submit competitive prices. If accepted, a purchase order is issued and the contractor is considered "on call". This type of contract does not guarantee work to the contractor.

Each District and County Maintenance office maintains their own list of FORE contractors and can share upon request to other field offices or interested contractors. No further prequalification or certification is needed to be considered for a FORE contract.

Level II: Subcontractor

This is the next level of risk for a contractor. A contractor can perform as a subcontractor on a Purchase Order Contract (POC) project let out of a field office or a larger Transportation Improvement Program (TIP) project centrally let out of Raleigh. To be qualified as a subcontractor on either type of contract, the contractor must fill out a prequalification application relevant to Subcontractors that can be found here: <https://connect.ncdot.gov/business/Prequal/Pages/Subcontractor.aspx>

Subcontractors must be prequalified prior to starting work on a project and do not require any bonding. All bonding requirements, if required, fall on the prime contractor.

Level III: Prime Contractor on Purchase Order Contracts Less than \$500,000

At this level, contractors will be the prime on small division let. To be qualified to be a prime contractor for NCDOT projects, the contractor must fill out the application which can be found here:

<https://connect.ncdot.gov/business/Prequal/Pages/Prime-Under.aspx>

Purchase Order Contracts are prepared, let and awarded through the 14 Division Offices and specific central units and in accordance with G.S. 136-28.1, are not to exceed five million dollars (\$5,000,000). Division let POCs require at least three informal bids that shall be solicited. The term "informal bids" is defined as bids in writing, received pursuant to a written request, without public advertising. All such contracts shall be awarded to the lowest responsible bidder. A proper Contractor's License, as issued by the N.C. Licensing Board for General Contractors, is required in order to submit a bid on any non-federal aid project where the contract is \$30,000 or more.

Contractors at this level will be responsible for the construction of the project in accordance with the plans and specifications which may include such criteria as erosion and sedimentation control and traffic control. Most of the contracts are self-performed, but if the contractor wishes to subcontract out any portion of the work it must be approved by the Engineer and the subcontractor must be prequalified as a Subcontractor (see Level II). The Contractor will be responsible for following the Department's prompt payment policy to subcontractors and meeting the contract Minority, Woman or Disadvantaged project specific goal(s).

Some examples of POCs are paving and resurfacing projects, bridge repair, traffic signal installation, pavement markings and markers, curb & gutter installation, stone placement, drainage improvements, and seeding & mulching.

Level IV: Small Business Enterprise (SBE) Contract

The Small Business Enterprise Program was developed to provide contract opportunities for firms that meet the eligibility criteria, to compete against others that are comparably positioned in their industries and markets. This program gives smaller businesses with annual gross incomes up to \$1.5 million, excluding materials, the opportunity to participate in the highway contracting industry. The goal of the program is for the contractor to gain experience and expand their knowledge base and opportunities. For more information on the SBE Program reference the Program Guidelines at: <http://www.ncdot.org/business/ocs/sbe/>

The Small Business Enterprise program was created by G.S. 136-28.10 (Highway Fund and Highway Trust Fund Small Project Bidding) as follows:

- a. Notwithstanding the provisions of G.S. 136-28.4(b), for Highway Fund or Highway Trust Fund projects of five hundred thousand dollars (\$500,000) or less, the Board of Transportation may, after soliciting at least three informal bids in writing from Small Business Enterprises, award contracts to the lowest responsible bidder. The Department of Transportation may identify projects likely to attract increased participation by Small Business Enterprises, and restrict the solicitation and award to those bidders. The Board of Transportation may delegate full authority to award contracts, adopt necessary rules, and administer the provisions of this section to the Secretary of Transportation.
- b. The letting of contracts under this section is not subject to any of the provisions of G.S. 136-28.1 relating to the letting of contracts. The Department may waive the bonding requirements of

Chapter 44A of the General Statutes and the licensing requirements of Chapter 87 for contracts awarded under this section.

- c. The Secretary of Transportation shall report quarterly to the Joint Legislative Transportation Oversight Committee on the implementation of this section. (1993, c. 561, s. 65; 1999-25, s.1)

There are no prequalification for SBE contracts other than being certified as a small business. The "Small Business Enterprise (SBE) Form is required to being completed and notarized. The form can be found at the SBE link referenced above.

Typical work that may be let under the SBE Program include, but are not limited to, grubbing, clearing, and grading; hauling stone and other materials; erosion control; paint striping; drainage (pipe, curb and gutter, catch basin, etc.); signal installation; landscape planting; fencing and guardrail.

Level V: Prime Contractor on Purchase Order Contract up to \$5 million

At this level, contractors will be the prime on division let POCs up to the \$5 million threshold as identified in G.S. 136-28.1. To be qualified as a prime contractor for NCDOT projects, the contractor must fill out the attached application.

Purchase Order Contracts are prepared, let and awarded at the 14 Division Offices and specific central units, and are not to exceed five million dollars (\$5,000,000). POCs require at least three informal bids that shall be solicited. The term "informal bids" is defined as bids in writing, received pursuant to a written request, without public advertising. All such contracts shall be awarded to the lowest responsible bidder. When the total amount of a division let POC exceeds five hundred thousand dollars (\$500,000), a performance and payment bond is required of the prime contractor. The Department may require payment and performance bonds on any contract, regardless of value. A Performance Bond in the amount of 100% of the construction contract amount is conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions of the contract. Such bond shall be solely for the protection of the contracting body which awarded the contract.

A Payment Bond in the amount of 100% of the construction contract amount is conditioned upon the prompt payment for all labor or materials for which a contractor or subcontractor is liable. The payment bond shall be solely for the protection of the persons furnishing materials or performing labor for which a contractor or subcontractor is liable. Bid Bonds are not required.

Contractors at this level will be responsible for the construction of the project in accordance with the plans and specifications which may include such criteria as erosion and siltation control on the project. The contractor will also be responsible for following the Department's prompt payment policy to subcontractors, and meeting the contract Minority, Woman or Disadvantaged goals or doing a good faith effort.

Level VI: Prime Contractor on Centrally Let Contracts

Centrally let projects have no limit on the value of the project and carries the most risk of all the contracts. Typically, these projects have many subcontractors doing different items of the work, and may have 2nd or 3rd tier subcontractors on the job and require bonding. To be a prime contractor on a Centrally Let project requires a greater level of review. Therefore, the prequalification application is specifically designed for this type of prime and is not considered in the attached application. These projects include Transportation Improvement Projects (TIP) and Contracting Resurfacing and may be major intersection or interchange upgrades, bridge replacement, safety projects, new location, or widening projects.