

BUSINESS RULES FOR PREQUALIFICATION OF COMPANIES SUBMITTING CONSOLIDATED STATEMENTS

I. Definitions – The following definitions apply throughout these business rules:

1. “Group” means a parent company and its subsidiaries or multiple subsidiaries of the same parent company that submit a consolidated financial statement.
2. “Entity” means one company of the group.
3. “Statement” has the meaning set forth in 105 IAC 11-1-29.
4. “Consolidated statement” means the statement of a group and shall include the assets and experience of all entities in the group.

II. Prequalification as a Group – When a group submits a consolidated statement for prequalification, the following rules will apply:

1. The group must include the details of the financial condition and equipment for each entity that desires to work for the Indiana Department of Transportation (INDOT) in the consolidated statement. These details must be sufficient to allow INDOT to view the separate assets of each entity.
2. INDOT will consider the experience and equipment of the entities doing business in Indiana in its determination of the prequalification work types for the group.
3. The name on the Certificate of Qualification for a group that submitted a consolidated statement should be the same as the name on the financial statement the group submitted for prequalification. Pursuant to the policies of the State Auditor, INDOT will not include doing business as (dba) names on Certificates of Qualification.
4. INDOT will keep on file, with the group’s Certificate of Qualification, the names of each entity included in the consolidated statement. INDOT’s file will list the areas of expertise for each entity in the group.
5. If INDOT prequalifies the group, INDOT may allow an entity included in the consolidated statement to work on INDOT projects in the work type classification corresponding to the entity’s area of expertise as listed in the group’s prequalification file.
6. INDOT must be able to determine what Certificate of Qualification authorizes an entity to perform work at an INDOT work site; therefore, at every work site, an entity must have a person in charge who can produce a letter identifying the group the work crew is working for. This person also must be able to furnish a list of the entity’s vehicles and equipment working on the job.
7. When an entity is performing the work, INDOT must be able to identify the group’s name and vendor ID number on all certified payrolls. The contractor shall ensure INDOT can identify the group name and vendor ID number on all paperwork in one of two ways:
 - a. By using the group’s name and vendor number on all paperwork, or
 - b. By submitting a letter with the documents or initially submitted certified payrolls for a contract to the Project Engineer or Project Supervisor with a

copy of the letter to INDOT's District Equal Employment Opportunity Officer. The letter shall be on the parent company's letterhead, shall explain the relationship between the entities and contain an authorized signature. Questions as to who is authorized to sign for a company should be referred to the Prequalification Manager. The vendor number on payrolls should be that of the entity that issues the payroll.

8. INDOT will reference related entities (the companies in a group) to each other in the vendor list in INDOT's Transport Letting and Award System. This is a standard procedure for maintaining the vendor list.

III. Prequalification as Separate Entities – When an entity pursues prequalification as a separate entity, apart from the group, the following rules will apply:

1. Pursuant to 105 IAC 11-2-2 (k), the assets of a contractor can be used to support only one prequalification certificate at a time. If a group is prequalified after submitting a consolidated statement that includes any of the assets or experience of an entity, then the entity cannot be separately prequalified, unless its assets and experience are subtracted from the consolidated statement of the group and the prequalification of the group is revised to remove the assets and experience of the separate entity.

2. A contractor that does not participate in a group must prequalify with its own statement. Under 105 IAC 11-2-1 (a), a contractor must submit a report of its own experience and financial condition; therefore, if an entity is applying for prequalification in its own name, separate from that of the group (regardless of whether the group is prequalified), then the entity can use only its own assets and experience in its prequalification application. It cannot use the consolidated statement of the group (the group's assets or experience).

IV. General Rules for Prequalification – The following rules apply to parents and subsidiaries and related entities regardless of whether they choose to apply for prequalification as a group or separate entities:

1. INDOT will enter into contracts only with the prequalified group or entity. The name on proposal bids and contract forms shall match the name on the Certificate of Qualification.

2. INDOT will only prequalify the entity or group for which the statement of experience and financial condition is based.

3. INDOT may deny prequalification to a group, parent companies and/or one or more of their subsidiaries to avoid the possibility of collusion.