

## **FAQ's for Contractors**

### **What are Clients, Contractors, Sub Contractors and Sole Traders?**

Different industry sectors can have slightly different meanings to these three groups. For the purposes of the PREQUAL prequalification process the following definitions are to be applied:

#### **Client**

You are a Client if you engage others to carry out work for you. A Client may also be a contractor or even sub-contractor in some circumstances.

#### **Contractor**

You are a contractor if you are hired and paid by someone else (a Client) to carry out work for them. For PREQUAL prequalification purposes, contractor refers to organisations (including unincorporated partnerships) not individuals so the definition does not include sole traders engaging with a single Client on their own. Note in the HSWA 2015 the Client is referred to as a PCBU (Person Conducting a Business or Undertaking)

#### **Main or Controlling Contractor**

You are a main or controlling contractor (category 4) if you are employed directly by the client to control/manage the entire job or project from beginning to completion/commissioning the project.

You rather than the client, provide all the health & safety management systems to be applied to the contracted work and sub-contractors.

All other contractors report to you and you set the requirements for what reporting is required by subcontractors, when and how they report. You will usually present a summary of this information to the client as part of your reporting processes.

#### **Sub-Contractor**

You are a sub-contractor if you are engaged by a Contractor to help them complete work for a Client.

#### **Sole Trader**

You are a Sole Trader if you do not employ staff or engage other contractors and you contract independently, even if you are a limited liability registered company.

### **Who oversees the PREQUAL process?**

PREQUAL has developed this prequalification process with input from a number of Client organisations. PREQUAL administers and manages the process but there is a Client Steering Group in place that continues to provide guidance to PREQUAL.

### **What does the Client Steering Group do?**

The Client Steering Group is made up of representatives from key PREQUAL Clients. Representatives come from a mix of Health and Safety and Procurement roles. The Steering Group provides direction and advice to PREQUAL about the appropriateness of PREQUAL systems, processes and content. The following provides an illustration of what they are involved in:

- Agreeing the appropriateness of questionnaire content and assessment protocol;
- Agreeing the adequacy of moderation and appeals processes;
- Agreeing the rules of the PREQUAL process e.g. number of prequalification attempts allowed, length of time for contractors to submit information, requalification timeframes, confidentiality of information protocols etc.

## Is this a one size fits all process?

The short answer is no. One of the issues identified with prequalification, that have been applied by Clients or Industry organisations to date in New Zealand, is that they ask for the same information and evidence from all Contractors. This is regardless of the differing types of work Contractors do and the size of the Contractor organisation.

The PREQUAL process provides five categories of prequalification questionnaire reflecting the different size and complexity of Contractors.

## What are the Contractor prequalification categories?

PREQUAL has customised the prequalification questionnaires to reflect the size and complexity of the Contractor.

There are five Contractor Prequalification Categories.

Category	Contractor Type	Contractor Activities
Sole Trader	Individual who works independently	Does not employ staff or engage other contractors and contracts independently even if you are a limited liability registered company.
Category 1	Very Small contractor	Engaged by higher-level contractors or directly by Client. Do not engage subcontractors other than sole traders. Operate under the Client's or high-level contractor's management system. <b>1 – 5 employees.</b>
Category 2	Small contractor	Engaged by higher-level contractors or directly by Client. Do not engage subcontractors other than sole traders. Operate under the Client's or high-level contractor's management system. <b>6 – 15 employees.</b>
Category 3	Contractor	Engaged by main contractor or directly by client Usually operate under Client or main contractor's management systems. <b>16 + employees and/or manages subcontractors.</b>
Category 4	Main or controlling contractor	You are a <b>main or controlling</b> contractor (category 4) if you are employed directly by the client (e.g. property developer) to control/manage the entire job/project from beginning to completion/commissioning the project.  You rather than the client, provide all the health & safety management systems to be applied to the contracted work and sub-contractors e.g. Permit to Work systems, emergency management process, incident reporting etc.  All other contractors report to you and you set the requirements for what reporting is required by subcontractors, when and how they report. You will usually present a summary of this information to the client as part of your reporting processes.

## Can I complete a PREQUAL if I am an international organisation?

Yes, if you're an international organisation working for New Zealand based Clients, you can complete a prequalification with PREQUAL. As PREQUAL is a service for New Zealand based Clients, it is important that your policies and procedures include New Zealand legislation and that any evidence of application is from your New Zealand branch or division.

## Who will be able to see my prequalification information?

By prequalifying with PREQUAL, you will be prequalified for all our clients.

In your Manage Clients page, just select the clients you currently or would like to work with. The client's will receive notification of your interest and can accept the link if desired. Your information can only be viewed by clients that you have agreed to be linked to.

The PREQUAL team is there to support you in coordinating who you wish to see your information. If a client wishes to use your services, we will check with you first. If you confirm with us that you would like to work for that client, we will then link you and your data to that client so that work can commence.

## How long does my prequalification last for?

The PREQUAL prequalification can be valid for up to two years; based on the assessment score that you achieve. Please see below a table indicating the prequalification requirement should your score fall into one of the three categories outlined. Also, if your insurances, licences or certifications expire within the period, you will be required to submit new evidence of cover.

Contractors Score	Requalification Requirement
Less than 30%	Requalify within 6 months
30% to 59%	Requalify within 12 months
60% or more	Requalify within 24 months

## What will it cost me to prequalify?

Prequalification costs vary for Contractor Categories based on what it costs PREQUAL to assess and manage your application.

The following outlines these costs.

Contractor Category	Base Price
Sole Trader	\$125.00 + GST
Category 1	\$495.00 + GST
Category 2	\$625.00 + GST
Category 3	\$1100.00 + GST
Category 4	\$1850.00 + GST

## **Can I redo the prequalification more frequently than every two years?**

Yes, you can submit a new prequalification at any time. This is at your discretion and cost.

Also, depending on the requirements of your client(s), you may be asked to requalify more frequently based on the assessment score that you achieve.

**Please contact us on Freephone 0800 773 782 should you wish to complete a new prequalification prior to your current expiry date.**

## **How long do I have to submit my prequalification information?**

PREQUAL recommend you complete your initial application within two months, to ensure your evidence does not become dated and affect your final score.

Your clients may also request you complete the prequalification within a specified timeframe.

## **How long will it take to have my prequalification information assessed?**

PREQUAL will target the provision of a final assessment report within 20 working days of you submitting your prequalification material, including the seven days allowed for resubmission.

## **Do I need to save my prequalification as I work through it?**

No. Your prequalification answers will automatically be saved as you complete the prequalification. There is no save button. As you add information you will see a green tick appear next to the question, showing your information has been successfully uploaded.

## **Can I attach a file for an answer rather than fill out text boxes online?**

Most questions have requirements to attach files as evidence. Where a question asks you to describe something and provides a free text panel for you to type your answer in directly, there is also the opportunity to attach an existing file if that is easier and answers the question adequately.

Files can be a maximum of 20mb and we recommend no symbols (& #) or punctuation (, !) is used in the file name as this can cause the uploaded file to become corrupted.

## **What is the difference between answering No and N/A?**

If you answer 'No' to a question, you will not be asked to submit evidence and will score a zero. You may not be given the opportunity to resubmit evidence for questions you have answered 'No' to.

If you answer 'N/A' to a question, you will have the opportunity to describe why this question is not applicable to your organisation. Your PREQUAL Assessor will review this and decide whether to accept your reasoning or not. If the PREQUAL Assessor agrees with you, the question will be removed from your questionnaire with no impact on your score.

## **How is my Category 1 – 4 prequalification questionnaire scored?**

PREQUAL provides percentage scores for Categories 1 - 4 and commentary outlining where we think your prequalification information indicates you are at in terms of health and safety management.

Each question in the Category 1 – 4 prequalification questionnaire is scored on a scale of zero to four. A score of zero indicates that there is no evidence of meeting requirements while a score of four indicates requirements are being met at a best practice level.

In addition, each question is weighted on a scale of one to five. This is to allow some questions to hold greater importance than others.

## **How are my Category 1 – 4 results presented to me?**

Once your Category 1 – 4 prequalification has been assessed, you will receive a report that provides you an overall score, and breakdown of that score into key sections and subsections. In addition, we will provide comments on what you appear to be doing well and areas for improvement.

## **How is my Sole Trader prequalification questionnaire scored?**

Each of the questions you are asked to answer will be scored from 1 to 4. This is purely to indicate whether your response showed good, average, limited or no understanding of the topic it was addressing.

## **How are my Sole Trader results presented to me?**

Once your Sole Trader prequalification has been assessed you will be provided with a report. Each question asked will be given a green, amber or red colour to indicate the level of understanding shown of the topic it was addressing.

## **Is there a pass or fail for this prequalification?**

PREQUAL does not provide a pass or fail mark. It is up to the individual Clients to determine how they will use this information.

PREQUAL and Clients view this prequalification process as a key element in driving the improvement of the health and safety performance of their Contractors.

## **Is there a certificate provided on completion?**

Once your prequalification is completed you will be provided with a Certificate which can be printed off and provides information on:

- Contractor Category
- Date of Assessment and Expiry Date
- Main Business Area
- The Assessment Score expressed as a 5-star rating scale.
  - 1 Star = 0 – 20%
  - 2 Stars = 21 – 40%
  - 3 Stars = 41 – 60%
  - 4 Stars = 61 – 80%
  - 5 Stars = 81 – 100%

This certificate is the final page on your completed report.

## **But I still have a low score?**

This is not like most prequalification processes you have been through where you pass on the basis of submitting some documentation.

From the years of experience that PREQUAL and its advisors have had trialling this level of prequalification, it is expected that a significant number of Category 1 - 4 contractors are likely to score well below 50%. To illustrate this, a score of 4 (out of 4) for a question will require very strong evidence of best practice systems and application.

We will also provide you with an indication of where you sit in relation to your peers so you can view your performance in that context.

It is important that you understand your Clients (actual and prospective) want to see you improve over time so a low score is not a reason to give up!

## **Can I add information and attach documents to my completed report?**

Once your application has been assessed and a report generated, no further information can be added to your prequalification report, apart from **updating your insurances**.

For any additional information or evidence to be reflected in your prequalification, you would need to complete a new application. This is at your discretion and cost.

**Please contact us on Freephone 0800 773 782 should you wish to complete a new prequalification prior to your current expiry date.**

## **Does PREQUAL monitor my insurance coverage?**

PREQUAL will monitor the expiry of your insurance cover (as you present it to PREQUAL).

PREQUAL will notify your nominated key contact person (as defined in your registration details) when your insurance is about to expire.

We will also notify your Clients of this.

## **Who assesses my prequalification questionnaire?**

PREQUAL Assessors will carry out the assessment of your prequalification information. The PREQUAL process will be overseen by senior health and safety professionals with significant experience in contractor management.

All PREQUAL Assessors are experienced health and safety practitioners, rigorously trained in the assessment tools and protocols. A continuous professional development programme is also in place to ensure all assessors stay abreast with current thinking in health and safety management.

## **Do I have an opportunity to resubmit evidence if I don't score well?**

Contractors in Category 1 – 4 will have **one** opportunity to resubmit evidence after submitting the initial prequalification information.

Sole Traders do not have an opportunity to resubmit after submitting the initial prequalification information.

## **How long do I have to resubmit evidence after initial assessment?**

You have seven working days to resubmit evidence as identified by your PREQUAL assessor. If you **do not do so within this timeframe, your prequalification will be scored on the information provided.**

## **Why does the orange *i* remain and the percent completed not change when I resubmit evidence?**

When additional evidence is added to your application for resubmission, the orange *i* will not change to green ticks. This allows your assessor to identify which questions require reassessing.

## **How do I know my prequalification is being scored consistently with other contractors?**

The assessment guides used by PREQUAL Assessors have undergone rigorous testing and continuous improvement to ensure they promote the highest level of consistency between assessors.

PREQUAL assessors work together which allows continual discussion around interpretation of prequalification evidence. They also meet formally on a regular basis to discuss application of PREQUAL assessment tools.

## **But will this really result in my assessment being consistent with others?**

In addition to the above, PREQUAL has a robust moderation process in place whereby a senior PREQUAL Assessor will independently reassess approximately 5% of all submitted prequalification's. Feedback will be provided to all PREQUAL Assessors on a continuous basis. This moderation process, in conjunction with regular reviews of PREQUAL tools, will ensure that assessments are carried out consistently.

## **Do I have the right to appeal my prequalification outcome?**

Huge focus and effort has been placed on getting this right first time. The oversight, training, continuous professional development and improvement processes described above, coupled with the robust moderation programme, mean that a standard appeal process is not required.

If there are specific questions you believe have not been assessed fairly, you can send a request for review of those questions only, in writing to [info@prequal.co.nz](mailto:info@prequal.co.nz) within one month of your prequalification being completed.

A senior assessor will then review the requested questions, in conjunction with the assessor, against the evidence supplied and make any adjustments to the scoring, if the appeal is deemed valid.