



**GENERAL CONTRACTOR AND ELECTRICAL SUBCONTRACTOR'S  
PRE-QUALIFICATION SUBMITTAL PACKAGE FOR**

**SECONDARY TREATMENT PLANT UPGRADE  
RECYCLED WATER EXPANSION  
JOB NOS. 12600-07 & 16650-02**

**Addendum #2**

MAY 2017  
(Revised 5/1/2018)

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DISTRICT BOARD

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The District has received the following question and/or requests for clarification. Each question and/or request for clarification is followed by the **District's Response**.

1. **Clarifications:** In addition to the Financial Qualifications outlined in the Pre-Qualification Submittal Package and Addendum No. 1, the District will further evaluate the Contractor's financial capabilities during bidding process of the construction project. To be considered a responsible bidder, the Contractor's credit report shall indicate a Dun & Bradstreet credit risk rating as specified in the bid forms. In lieu of the Dun and Bradstreet Report, the Contractor's bank may issue a Financial Statement. Attached is a sample of Financial Statement Forms that Pre-Qualified Contractors will be required to submit as part of the construction bid package.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Cortez". The signature is fluid and cursive, with a prominent initial "M".

Michael P. Cortez, PE  
District Engineer

LAS GALLINAS VALLEY SANITARY DISTRICT  
300 Smith Ranch Road  
San Rafael, California 94903

**FINANCIAL QUALIFICATIONS**

**BIDDER'S REFERENCES AND CREDIT REPORT**

The Contractor shall submit with his/her bid a credit report, current within five (5) working days of the bid opening date for this project. For privacy purposes, the report may be submitted in an envelope marked "CONFIDENTIAL". To be considered a responsible bidder on this project, either the Contractor's credit report shall indicate a Dun & Bradstreet credit risk rating specified below **or** the Contractor's bank shall issue a financial statement on the following page. If the Contractor is a Dun & Bradstreet member, a copy of the current Dun & Bradstreet rating form showing a rating not less than the specified rating.

**The specified Dun and Bradstreet credit risk rating for this project is 4A2 or better.**

If the Contractor is not a Dun & Bradstreet member, an acceptable credit report shall consist of the submittal of the District's Financial Statement Form (which follows) executed by the Contractor's bank. Failure to submit the required report with the bid for this project shall cause the bid to be rejected. Failure to possess the required financial strength and credit risk rating may cause the bid to be rejected. The District shall request confirmation of the Contractor's rating from Dun & Bradstreet Information Services. The sufficiency of the Bidder's financial qualifications will be determined solely by the District and its decision shall be final.

Reference is hereby made to the following bank or banks as to the financial responsibility of the Bidder:

| Name of Bank | Address |
|--------------|---------|
| _____        | _____   |
| _____        | _____   |
| _____        | _____   |

Reference is hereby made to the following surety companies as to the financial responsibility and general reliability of the Bidder:

|                        |       |
|------------------------|-------|
| Name of Surety Company | _____ |
|                        | _____ |
| Signature of Bidder    | _____ |
| Title                  | _____ |
| Company                | _____ |
| Address                | _____ |

## FINANCIAL STATEMENT FORM

\_\_\_\_\_ has an established deposit  
and borrowing relationship with \_\_\_\_\_ since  
(Bank)

\_\_\_\_\_. Both business account and credit accommodations are maintained in  
(Date)

a highly satisfactory manner. Based on my knowledge of \_\_\_\_\_ 's  
(Contractor)

Average monthly business account balances and its credit worthiness, I believe its general financial strength and credit rating meet or exceed the Dun & Bradstreet alphanumeric rating of not less than **4A2**.

\_\_\_\_\_  
Contractor Company Name

\_\_\_\_\_  
Contractor Representative, Printed Name

\_\_\_\_\_  
Contractor Representative, Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bank Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City/State/Zip Code

\_\_\_\_\_  
Bank Representative, Printed Name

\_\_\_\_\_  
Bank Representative, Signature

\_\_\_\_\_  
Date

Following are two Dun & Bradstreet rating component sheets to assist in the evaluation of the responsible bidder's tangible net worth and credit worthiness.

### D & B RATING KEY

Quickly assesses a company's size and composite credit appraisal, e.g., a company rated 3A3 has a worth of \$1,000,000 - \$9,999,000 based on an interim or fiscal balance sheet and a composite credit appraisal of 'Fair'.

#### Key to Employee Range

|     |               |
|-----|---------------|
| ER1 | 1,000 or more |
| ER2 | 500-999       |
| ER3 | 100-499       |
| ER4 | 50-99         |
| ER5 | 20-49         |
| ER6 | 10-19         |
| ER7 | 5-9           |
| ER8 | 1-4           |
| ERN | Not Available |

| <u>Rating Classification</u>                               |              |                 | <u>Composite Credit Appraisal</u> |             |             |                |
|--|--------------|-----------------|-----------------------------------|-------------|-------------|----------------|
| <u>Based on Worth from Interim or Fiscal Balance Sheet</u> |              |                 | <u>HIGH</u>                       | <u>GOOD</u> | <u>FAIR</u> | <u>LIMITED</u> |
| 5A   | \$50,000,000 | and Over        | 1                                 | 2           | 3           | 4              |
| 4A   | 10,000,000   | to \$49,999,999 | 1                                 | 2           | 3           | 4              |
| 3A   | 1,000,000    | to 9,999,999    | 1                                 | 2           | 3           | 4              |
| 2A   | 750,000      | to 999,999      | 1                                 | 2           | 3           | 4              |
| 1A   | 500,000      | to 749,999      | 1                                 | 2           | 3           | 4              |
| BA   | 300,000      | to 499,999      | 1                                 | 2           | 3           | 4              |
| BB   | 200,000      | to 299,999      | 1                                 | 2           | 3           | 4              |
| CB   | 125,000      | to 199,999      | 1                                 | 2           | 3           | 4              |
| CC   | 75,000       | to 124,999      | 1                                 | 2           | 3           | 4              |
| DC   | 50,000       | to 74,999       | 1                                 | 2           | 3           | 4              |
| DD   | 35,000       | to 49,999       | 1                                 | 2           | 3           | 4              |
| EE   | 20,000       | to 34,999       | 1                                 | 2           | 3           | 4              |
| FF   | 10,000       | to 19,999       | 1                                 | 2           | 3           | 4              |
| GG   | 5,000        | to 9,999        | 1                                 | 2           | 3           | 4              |
| HH   |              | up to 4,999     | 1                                 | 2           | 3           | 4              |

| <u>Rating Classification</u>        |              |          | <u>Composite Credit Appraisal</u> |             |                |
|-------------------------------------|--------------|----------|-----------------------------------|-------------|----------------|
| <u>Based on Number of Employees</u> |              |          | <u>GOOD</u>                       | <u>FAIR</u> | <u>LIMITED</u> |
| 1R                                  | 10 employees | and Over | 2                                 | 3           | 4              |
| 2R                                  | 1            | to 9     | 2                                 | 3           | 4              |

## WHAT THE RATINGS MEAN

5A to HH – ‘5A’ to ‘HH’ Ratings reflect company size based on worth or equity as computed by D&B. Company size can be an effective indicator of credit capacity. These Ratings are assigned to businesses that have supplied D&B with a current financial statement.

1R and 2R – the ‘1R’ and ‘2R’ Rating categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement.

Composite Credit Appraisal: The Composite Credit Appraisal is a number, one through four, that makes up the second half of the company’s rating and reflects D&B’s overall assessment of that firm’s credit worthiness. The Composite Credit Appraisal is based on analysis by D&B of company payments, financial information, public records, business age and other important factors (where available).

A ‘2’ is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Rating: May also include the ‘- -’ symbol, or absence of a D&B Rating. This symbol should not be interpreted as indicating that credit should be denied. It means that the information available to D&B does not permit us to classify the company within our Rating key and that further inquiry should be made before reaching a credit decision. Some reasons for using the ‘- -’ symbol includes: deficit net worth, bankruptcy proceedings, lack of sufficient payment information or incomplete history indicator.

Date Applied: Allows you to review a company’s rating changes over time (the last 10 Rating changes or any changes since 1991 if less than 10 are provided).

ER (Employee Range): Certain lines of business do not lend themselves to classification under the D&B Rating system. Instead, we assign these types of businesses an Employee Range symbol based on the number of people employed. No other significance should be attached to this symbol. For example, a Rating of ‘ER7’ means there are between five and nine employees in the company. ‘ERN’ should not be interpreted negatively. It simply means we do not have information indicating how many people are employed at this firm.

DS (DUNS) Support: This indicates that the information available to D&B does not permit us to classify the company within our Rating key. When ordering these reports an investigation can be performed and results sent to you within four working days, at no additional charge.

INV (Investigation Being Conducted): When an ‘INV’ appears, it means an investigation is being conducted on this business to get the most current details.