

**INSTRUCTIONAL  
FACT SHEET FOR APPLICATION FOR  
CERTIFICATE OF ELIGIBILITY OR RENEWAL  
(TC 14-1)**

The following information is to assist in preparing the Application for Certificate of Eligibility for highway contractors (TC 14-1).

1. **Non-Kentucky** corporations must secure a **Certificate of Authority**, pursuant to K.R.S. 176.150 (4). There will be no action taken on any application until such Certificate of Authority is received by the Kentucky Transportation Cabinet. The Certificate of Authority may be obtained by writing or calling:

**Corporate Division  
Secretary of State  
Capitol Building  
Frankfort, KY 40601  
(502) 564-2848**

2. Request only the type or types of work for which the applicant has the organization, experience and equipment to perform.

Several work items require specific information to be submitted in order to be considered. Included are:

**C-1 - Bituminous Concrete Paving, Option B**

- a. Letter from manufacturer indicating asphalt equipment meets standard specifications found in section 403.
- b. Access to a qualified Superpave Plant Technologist. Letter signed and dated from qualified Superpave Plant Technologist indicating the individual will provide all necessary quality control for the named contractor.

## **C-2 - Bituminous Concrete Paving, Option A**

- a. Letter from manufacturer indicating asphalt equipment meets standard specification found in section 403.
- b. Access to a qualified Superpave Plant Technologist. Letter signed and dated from qualified Superpave Plant Technologist indicating the individual will provide all necessary quality control for the named contractor.
- c. Equipment list or letter of lease for all equipment utilized in the taking and weighing of cores in accordance with option "A" paving specifications.

## **G - Lighting**

- a. Electrical Contractors are to supply a copy of electrical certification from the Department of Housing, Buildings and Construction. The phone number for that Department is (502) 573-0364.

3. **Schedule of Construction and Automotive equipment** currently owned and available to perform type or types of work for which eligibility is requested. Schedule should indicate make and model, description, year of manufacture and current book value (cost minus depreciation). No credit will be allowed for appraised values. A suggestion is your itemized depreciation schedule as per your federal tax return.
4. A schedule of Construction and Automotive equipment, leased for more than twelve (12) months from date of application, to perform types of work for which eligibility is requested.
5. **List of all major contracts awarded within the past three years.** Give adequate information to permit inquiry for reference. List all private, public and out of state projects. List prime contractor if performed as a subcontractor.
6. **List all certificates of eligibility or licenses issued by other states or agencies.**

7. **List all principal officers, owners, managers, superintendents and key personnel.** If a new applicant or a prequalified contractor requesting additional items of work, include resumes on all personnel including officers or owners, which must reflect work experience in classes and categories of requested items of work. The resume must describe sufficiently the experience to allow the committee to make a determination of performance ability in the field of highway construction items of work requested.

8. The financial statement of applicants desiring eligibility in excess of **\$1,000,000** must be audited and attested by an independent public accountant or certified public accountant who holds a valid registration card from the Kentucky State Board of Accountancy or a registration card in the state in which the principal office of the contractor is located. The audit shall be made in accordance with the generally accepted auditing standards adopted by the membership of the American Institute of Certified Public Accountants. Standard audit forms and procedures shall conform with the Institute's recommendations for the audit program of contractors. The accountant shall also comply with the specific instructions relative to the presentation of supporting detail requested by the Department to determine the amount of net current assets available. A balance sheet audit compilation or review statement is unacceptable for this type of certificate and will limit your certificate.

The financial statement of applicants desiring eligibility of **\$1,000,000 or less** shall be signed by the person preparing the statement and by a principal officer of the contractor. The applicant must provide all the detailed financial data required in a financial report form acceptable to the Kentucky Transportation Cabinet. (Balance Sheet form attached)

Other information deemed necessary by the Department to indicate the applicant's capacity and ability to complete highway construction projects.

9. All questions on the section pertaining to accounting must be completed.

10. All questions regarding organization structure and ownership control must be completed.

11. The financial data must be completed on page 10 of 13. This is in addition to either the audit reports or balance sheet form.
12. List of all supporting schedules as required for each of the certificates requesting either \$1,000,000 or more than \$1,000,000.
13. If you have negative working capital your application will be rejected, as directed by authority pursuant to K.R.S. 176.150.
14. The allowable net current assets as determined from the financial statement plus the cash surrender value, less loans, of life insurance on which the applicant is the beneficiary (exclude all policies with other beneficiaries) shall be multiplied by a factor of twelve (12) to establish the net current assets factor. The book value of owned equipment shall be multiplied by a factor of six (6) to establish the equipment factor. The equipment factor shall be added to the net current assets factor to determine the maximum capacity factor of the contractor.

The Contractor's percentage rating shall be established by the Department by evaluating the contractor's organization and experience, plant and equipment and performance in accordance with the following maximum percentages:

- (1) Organization and experience – twenty (20) percent.
- (2) Plant and equipment – thirty (30) percent.
- (3) Performance – fifty (50) percent.

The maximum eligibility amount, which is the maximum amount of uncompleted prime contract work permitted at any one time, shall be determined by multiplying the contractor's percentage rating and the maximum capacity factor. A contractor's current eligibility amount shall be the net difference between the contractor's maximum eligibility amount as shown on the certificate of eligibility issued by the Department and the total value of uncompleted prime contract work charged to the contractor regardless of its location and with whom it may be contracted.

An applicant requesting a certificate in excess of \$1,000,000 or less than \$1,000,000 will not be issued the total maximum capacity factor but only a percentage of the total maximum capacity factor. However, if the total maximum capacity factor exceeds \$100,000,000 an unlimited certificate will be issued even though the total percentage determined by the Department may be less than 100%. All applicants are issued certificates based on data furnished that is sufficient to make a determination of the applicants ability to perform items of work in those classes and categories requested and approved.

15. The application must be properly executed by an owner or officer of the organization, and **notarized by a notary public**. All pages of the application must be completed.