**Section 650.130 Revisions to Prequalification Ratings**

a) Revision to the financial rating that will either increase or reduce the rating may be necessary during the period it is in effect if there has been a change in status of the contractor due to reasons or events that materially impact the financial rating calculation or that affect the current responsibility of the contractor, including but not limited to those listed in this subsection (a). The Department may require a contractor to file a new financial statement at any time it considers such action to be warranted. The statement shall be filed within 30 days after such request. The prequalification of a contractor who fails to file the requested information will be revoked pursuant to Section 650.110 of this Part. The Department shall be notified by the contractor when it has knowledge of any of the following reasons or events:

1) The contractor experiences a change involving ownership.

2) The contractor acquires or is acquired by another company.

3) The contractor incurs equipment or plant expenditures through purchase, lease or rental which totals 5 percent or more of the calculated value of the financial rating for a period of one year after the date of the financial statement. Notification of an equipment or a plant purchase should include the following:

A) Description (i.e., make, model, year, serial number and size or capacity);

B) Purchase date;

C) Purchase price;

D) Book or appraised value; and

E) Financial transaction (i.e., cash purchase or how financed).

4) Reduction of any long term notes before their due date.

5) The contractor incurs unanticipated stock repurchases within the period of one year after the date of the financial statement.

6) Contingent liabilities which are paid within one year of the financial statement.

7) Payment of the cash surrender value of life insurance.

8) The contractor incurs a judgment against it due to a lawsuit.

9) The contractor defaults on a loan agreement which is encumbered or pledged by current or fixed assets of the firm.

10) The contractor defaults on a contract not awarded or approved for award by the Department.

11) The contractor has experienced an event which has a present or future financial impact or reduction in working capital during the prequalification period. Subsequent events which represent a present or possible future reduction in working capital during the prequalification period will be reviewed and the Department will issue new ratings if the reduction in working capital exceeds 30 percent. The Department may request verification from the CPA when applicable.

12) The contractor has Department awarded or approved contract work in progress that has fallen behind the approved progress schedules applicable to the contracts involved due to performance delays caused by the contractor.

13) The contractor has not commenced performance of Department awarded or approved contract work as required by the contract or contracts involved due to performance delays caused by the contractor.

b) Revision to a work rating that will either increase or reduce the rating may be necessary during the period it is in effect for events or reasons that affect the current responsibility of the contractor to undertake and complete the work category, including but not limited to those listed in this subsection (b). The Department may require the contractor to provide additional information or verification of information affecting a work rating at any time it considers such actions to be warranted. Failure to provide requested information will result in revocation pursuant to Section 650.110 of this Part. The Department shall be notified if any of the following occur:

1) A change in management or departure of key staff required to maintain the work rating.

2) Sale, loss, destruction, damage, obsolescing or other action affecting the availability of equipment required to maintain the work rating.

3) Cancellation of an equipment lease or rental required to maintain the work rating.

4) The contractor's performance evaluation is at or below the levels provided in Section 650.240(e) and (f) of this Part.

5) The contractor has Department awarded or approved contract work in progress that has fallen behind the approved progress schedules applicable to the contracts involved due to performance delays caused by the contractor.

6) The contractor has not commenced performance of Department awarded or approved contract work as required by the contract or contracts involved due to performance delays caused by the contractor.

c) No revision of a prequalification rating requested by a contractor will be effective for a particular letting unless a revised application for prequalification or other supplemental information pertaining to changes is received within the time specified by Section 650.50 of this Part.

d) Revision of a prequalification rating initiated by the Department shall be effective when issued.

e) A revision involving the name, phone number or address of a contractor will not affect prequalification ratings. However, the Department should be notified of these changes as soon as they occur.

(Source: Amended at 24 Ill. Reg. 18775, effective December 7, 2000)