Economic & Financial Standing (3.12 PSQ)

Part 3.12 of the Procurement Specific Questionnaire (PSQ) - Economic & Financial Standing will be evaluated on a pass/ fail basis for the level of economic and financial capacity and standing required by the Authority to deliver the contract.

Part 3.12 (PSQ) - Economic & Financial Standing

The Bidder should achieve the stated target for each ratio or greater.

Where a Bidder fails two ratio targets (i.e. ratio falls below the target) the Bidder will be assessed further using the minimum turnover requirement and information held by third parties (e.g. Dun and Bradstreet), such as financial risk ratings and governance risk rating.

If following this further assessment, the:

* information held by third parties is negative (e.g. high risk); or
* they don’t meet the minimum turnover requirement.

they will be awarded a ‘fail’ and will not be considered further.

|  |  |  |
| --- | --- | --- |
| **Ratio** | **Method** | **Target** |
| Current Ratio | Total Current Assets / Total Current Liabilities | > 1 |
| Quick Ratio (Acid Test) | (Cash + Trade Debtors) / Total Current Liabilities | > 1 |
| Net Profit Margin | Pre-Tax Profit / Turnover | > 1% |

Turnover

The potential Bidder/s must meet or exceed the minimum turnover stated below unless its financial standing can be evidenced by the information provided, as set out above. For the avoidance of doubt, no minimum spend or volume guarantee is given and no exclusivity is granted to any successful Bidder.

The minimum annual turnover requirement is the estimated annual contract value for each lot excluding VAT, multiplied by 2 and rounded to the nearest £0.5M.

Financial Figures

Please provide the following financial figures. The provided financial figures should be accurate and reflect the financial information as provided in line with Part 3.12 of the PSQ - Economic & Financial Standing question/s.

These figures will be used for the financial ratio tests and should be provided based on your most recent audited accounts. Where you are asked for a figure relating to a period, please include the current figure (i.e. for “Pre-Tax Profit” provide the most recent audited accounting year’s “Pre-Tax Profit”):

|  |  |
| --- | --- |
| Financial Figure | £ value/ Number |
| Total Current Assets |  |
| Total Current Liabilities |  |
| Cash |  |
| Trade Debtors |  |
| Pre-Tax Profit |  |
| Turnover |  |