**Procurement Specific Questionnaire Guidance**

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| **Contracting Authority:** | Ministry of Defence |
| **Requirement:** | The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment |
| **Issue date:** | 27 Oct 25 |
| **PQQ Return date:** | **The Authority reserves to right to disqualify PSQs received after the return date and time.** |

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# **Guidance Instructions and Conditions**

1. Definitions
   1. The following definitions are used in this document:

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| **Term** | **Definition** |
| Authority | Means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, acting as part of the Crown. Where "we" is used in this PSQ, this means the Authority. |
| Bid | Means an individual response to this PSQ and any subsequent participation in this procurement |
| Clarification Question | Means a question submitted by a Potential Provider seeking additional information, further explanation or clarity from the Authority in relation to information contained in the PSQ. |
| Consortium Member | Means one or more of the parties forming a Consortium. |
| Potential Provider | Means the business or company which is completing this PSQ. Where "you" or "your" is used in this PSQ, this means you, the Potential Provider. |
| Potential Provider Consortium | Means the group of entities which together form the Potential Provider. |
| Potential Provider Entity | Means the Potential Provider, each member of any Potential Provider Consortium and each entity in a Potential Provider Supply Chain where relied upon in responding to this PSQ. |
| Potential Provider Supply Chain | Means all entities which will be subcontractors to the Potential Provider where relied upon in responding to this PSQ and which are listed as such in your response to this PSQ. |
| Procurement Specific Questionnaire and/or PSQ | Means this Procurement Specific questionnaire. |
| Connected Person(s) | “Connected Person”, in relation to a  Contractor or Relevant Sub-Contractor, means any of the following:  1. a person with “significant control” over the Contractor or Relevant SubContractor (within the meaning given by section 790C(2) of the Companies Act 2006 (“CA 2006”));  2. a director or shadow director of the Contractor or Relevant Sub-Contractor;  3. a parent undertaking or a subsidiary undertaking of the Contractor or Relevant Sub-Contractor;  4. a predecessor company;  5. any other person who it can reasonably be considered stands in an  equivalent position in relation to the Contractor or Relevant Sub-Contractor as a person within paragraph (1) to (4);  6. any person with the right to exercise, or who actually exercises,  significant influence or control over the Contractor or Relevant Sub-Contractor;  7. any person over which the Contractor or Relevant Sub-Contractor  has the right to exercise, or actually exercises, significant influence or control |
| Excludable Supplier | Excludable Supplier means a supplier to which the Authority considers that:  1. a Discretionary Exclusion Ground applies to that supplier, a Connected  Person, an Associated Person, or Intended Subcontractor, and  2. the circumstances giving rise to the application of the Discretionary  Exclusion Ground are continuing or likely to occur again, or  3. the supplier, a Connected Person or Associated Person, or Intended Subcontractor is on the Debarment List by virtue of a Discretionary Exclusion Ground. |
| Excluded Supplier | Excluded Supplier means a supplier to which the Authority considers that:  1. a Mandatory Exclusion Ground applies to that supplier, Connected  Person, Associated Person, or Intended Subcontractor and,  2. the circumstances giving rise to the application of the Mandatory  Exclusion Ground are continuing or likely to occur again, or  3. the supplier, Connected Person, Associated Person, or Intended Subcontractor is on the Debarment List by virtue of a Mandatory Exclusion Ground |
| Exclusions | The Procurement Act sets out a list of mandatory (schedule 6) and discretionary (schedule 7) exclusion grounds and places a duty on contracting authorities to consider both whether any of these apply to  suppliers (including by virtue of a Connected Person or an Associated Person or Intended Subcontractors), as well as  whether the circumstances are continuing  or likely to occur again. The Authority will  exclude an Excluded Supplier and may  exclude an Excludable Supplier from  procurements. |
| Mandatory Exclusion | Ground Mandatory Exclusion Ground means one or more of the grounds listed at Schedule 6 of the Procurement Act. |
| Discretionary Exclusion Ground | Ground Discretionary Exclusion Ground means one or more of the grounds listed at Schedule 7 of the Procurement Act. |
| Intended Sub-Contractor | Intended Sub-Contractor means a supplier (anywhere in the supply chain) to whom the Contractor intends to sub-contract the performance of all or any part of the Contract and whose information the Authority has requested. |

1. Introduction
   1. The Authority issues this Procurement Specific Questionnaire (“PSQ”) for the supply and delivery of Extreme Cold Weather (ECW) Clothing and Equipment which will need to be completed for this competition which is being run under the Open Procedure in accordance with (section 20(2)(a)) of the Procurement Act 23 (“the PA 23”)).
   2. The Authority requires the information sought in this PSQ from each Potential Provider that wishes to participate in this procurement. Where potential providers are excludable or excluded (including

by virtue of their connected persons, associated persons or sub-contractors).

2.3 The requirement to complete the Procurement Specific Questionnaire is to allow the Authority to ascertain whether a supplier can meet conditions relating to the legal and financial capacity, and technical ability, of a supplier to perform the contract.

1. Notes for completion by Potential Provider
   1. The following definitions are used in this document:

“We” or “Authority” means the Ministry of Defence.

“You” or “you’re” or the “Potential Provider” means the business or company which is completing this PSQ.

* 1. Please ensure that you complete the questionnaire as requested. Failure to do so may result in your application to participate in the procurement procedure being disqualified. If the question does not apply to you please write ‘N/A’; if you do not know the answer please write ‘N/K’. Where you cannot complete a question, the Authority reserves the right to require further clarification or supplementary information.
  2. All questions should be answered without reference to general marketing or promotional material.
  3. Please answer every question in English. If any of the required information (e.g. text in financial accounts) is not in English, you must supply a copy of the original document and an English translation of that information.
  4. Where financial information is quoted in figures other than pounds sterling; the sum should be stated in both the original currency and pounds sterling. You should use exchange rates quoted (by national central banks, international institutions or commercial banks operating in the foreign exchange market) on the day this PSQ was issued for all currency conversions, and you must state the exchange rate used in your response.
  5. You must inform the Authority of any material changes to the information provided as soon as you become aware of the change.

1. Return of this PSQ
   1. Please complete the PSQ on the Defence Sourcing Portal (DSP) ([www.contracts.mod.uk](http://www.contracts.mod.uk)) by no later than 20 Nov 25 at 12:00 (UTC+1)
2. Contact point within the Authority for all queries
   1. All clarification questions are be sent using the message function on the DSP.
3. Verification of Information Provided
   1. The higher the value and technical complexity of the procurement, the higher the level of verification that is likely to be required. Not all questions require supporting documents at this stage (for example certificates or statements). Each question in the PSQ will state what documentary evidence is required and when it is required to be submitted. The Authority may ask to see these documents at a later stage, so it is advisable you ensure they can be made available upon request.
   2. You may also be asked to clarify your answers or provide more details about certain issues.
   3. The Authority may seek independent financial and market advice to validate information declared by you or to assist in the evaluation. Reference site visits, demonstrations, or presentations are unlikely to be requested at this stage but the Authority reserves the right to request these as a part of the PSQ process.
4. Supply Chain
   1. The purpose of this section is to provide the Authority with sufficient information to pre-qualify and select tenderers from Potential Providers. The information supplied under the PSQ will not be used to influence the selection of subcontractors.
   2. Where the Potential Provider will rely on the capacities or resources of third parties in its supply chain for the delivery of goods, works or services, or both, under any ensuing contract:
      1. all information provided in response to this PSQ must be given in respect of the Potential Provider; and
      2. the Potential Provider must also provide in Section 1.7, 1.8 and 1.9 of the Qualification Envelope details of the composition of the supply chain as currently envisaged for the requirement identified in this PSQ, identifying in particular where the Potential Provider is relying on the capacity or resources of third parties, including:
         1. the company / organisation name of any third party in that supply chain;
         2. the elements of the requirement for which the third party in that supply chain will be responsible; and
         3. information of a type and form similar to that required of the Potential Provider by this PSQ to prove the supply chain has the necessary capacities or resources to allow the Potential Provider to fulfil the requirement.
   3. Failure to prove to the Authority that the supply chain has the necessary capacity or resources to allow the Potential Provider to fulfil the contract may affect the suitability of the Potential Provider to proceed with the procurement process. You should be aware that the Authority may require an undertaking from any third party in the supply chain that it has the necessary capacity or resources to allow the Potential Provider to fulfil the contract.
   4. At any stage in the procurement process, Potential Providers must, as soon as possible, notify the Authority in writing of any significant change to the proposed supply chain. The Authority reserves the right to require the responses to the PSQ to be updated to reflect the revised arrangement so that it can make a further assessment by applying the selection criteria to the new information provided, which may affect the suitability of the Potential Provider to proceed with the procurement process.
5. Consortia Arrangements
   1. If the Potential Provider has requested to participate in this procurement and stated its intention to bid as a consortium, the following information must be provided at Section 1.4.3 of the Qualification Envelope:
      1. full details of the consortium; and
      2. the information sought in this PSQ, for each of the consortium’s constituent members, gathered together in a single response.
   2. Potential Providers should provide details of the actual or proposed percentage shareholding of the constituent members within the consortium in Section 1.4 of the Qualification Envelope. If a consortium is not proposing to form a corporate entity, full details of the consortium arrangements should be provided in Section 1.4 of the Qualification Envelope.
   3. At any stage in the procurement process, Potential Providers must, as soon as possible, notify the Authority in writing of any material change in relation to the proposed consortium arrangement (including any change of roles or responsibilities and the addition or removal of consortium members). The Authority reserves the right to require the responses to the PSQ to be updated to reflect the revised arrangement so that it can make a further assessment by applying the selection criteria to the new information provided, which may affect the suitability of the Potential Provider to proceed with the procurement process.
6. Selection of Tenderers
   1. During the PSQ stage, the intention is to allow the Authority to assess Information relating to conditions on the legal and financial capacity, and technical ability, of a supplier to perform the contract.
   2. The criteria applied for the selection of tenderers are:
      1. the mandatory and discretionary grounds for exclusion relating to the personal situation of the Potential Provider (Part 2) please also refer to Schedule 6 & 7 of the Procurement Act 23.
      2. any minimum levels of economic or financial standing or technical or professional ability that the Authority requires (which must be related and proportionate to the subject matter of the contract);
      3. the objective and non-discriminatory selection criteria used to reduce the number of Potential Providers to the minimum stated above; and
   3. Please refer to the PSQ for full selection criteria.
7. Selection of Subcontractors
   1. The Authority reserves the right under Section 26 of the Procurement Act 23 to reject excluded and excludable subcontractors that may be chosen by the Potential Provider at any stage of the contract award procedure or during performance of the contract. A rejection may only be based on the criteria applied for the selection of tenderers at paragraph 9 above.
8. Costs and Expenses
   1. Potential Providers are responsible for their costs and expenses incurred in connection with the preparation and submission of the PSQ and all future stages of the selection and tender process. The Authority, or any of its advisers, does not accept any liability in respect of this PSQ or any supporting documentation or liability for any costs or expenses borne by the Potential Provider or any of their Sub-Contractors or advisers in this process.
9. **Right to Cancel or Vary the Process**
   1. The Authority reserves the right to:
      1. cancel the tendering and evaluation process at any stage;
      2. amend the terms and conditions of the procurement process; and
      3. not to award a contract as a result of the procurement process.
10. PSQ Documents
    1. This Guidance, Instructions and Notices, the PSQ and any related documents (referred to as the “PSQ Documents”) have been prepared by the Authority for the purpose of providing an application procedure for individuals or organisations interested in tendering for The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment and to assist Potential Providers in making their own evaluation of the potential opportunity.
    2. Whilst prepared in good faith, the PSQ Documents are intended only as a preliminary background explanation of the Authority’s activities and plans and are not intended to form the basis of any decision on whether to enter into any contractual relationship with the Authority. The PSQ Documents do not purport to be all-inclusive or to contain all of the information that a Potential Provider may require in the performance of a contract.
    3. Any persons considering making a decision to enter into contractual relationships with the Authority following receipt of the PSQ Documents should make their own investigations and their own independent assessment of the Authority and their requirements for The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment and should seek their own professional financial and legal advice.
    4. None of the Authority, its advisors, or the directors, officers, members, partners, military or civilian personnel, employees, other staff, agents or advisers of any such body or person:
       1. makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the PSQ Documents;
       2. accepts any responsibility for the information contained in the PSQ Documents or for its accuracy or completeness; or
       3. shall be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication.
    5. Only the express terms of any written contract relating to the subject of the PSQ Documents as and when it is executed, shall have any contractual effect in connection with the matters to which it relates. That contract will be governed by English law, as specified in the contract.
    6. Nothing in the PSQ Documents is, or should be, relied upon as a promise or a representation as to the Authority’s ultimate decisions in relation to The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment Contract. The publication of the PSQ Documents in no way commits the Authority to award any contract or pursue any tender process for The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment Requirement.
11. Confidentiality and Freedom of Information
    1. The information in the PSQ Documents is made available on condition that it is treated as confidential by the Potential Provider and is not disclosed, copied, reproduced, distributed or passed to any other person at any time except for the purpose of enabling a submission to be made (for example, disclosure by a Potential Provider to its insurers or potential suppliers who are directly involved in the bid is permitted provided they have each given an undertaking at the time of receipt of the relevant information (and for the benefit of the Authority) to keep such information confidential).
    2. The Authority is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, the subordinate legislation made under those Act / Regulations and any guidance and / or codes of practice issued (from time to time) in relation to such legislation. Potential Providers are required to (where known at the time):
    3. specify (with reasons) the PSQ responses which they regard as falling within any of the exemptions from disclosure specified under the Act / Regulations including (without limitation) information provided in confidence; and
    4. state which provisions of the Act/Regulations apply to the PSQ responses identified under XIV.2a above.
    5. The Authority shall be responsible for determining, at its absolute discretion and subject to its legal obligations, whether any of the exemptions from disclosure under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, including those claimed by the Potential Provider, should apply. Nothing in this provision will affect the Potential Provider’s rights at law.
12. Data Protection
    1. The Authority will process personal data provided in any PSQ response only for evaluation for the selection of Prospective Providers under this procurement process for the stated requirement. The Authority will comply with its obligations as a data controller under the Data Protection Act 2018 for this procurement process.
13. Conflicts of Interest
    1. The Authority is required by Part 5 of the Procurement Act 23 to ensure that all Potential Providers are treated equally and in a non-discriminatory way during the procurement process. The Authority therefore needs to eliminate or mitigate conflicts of interest so as to ensure a fair and non-discriminatory procurement process.
    2. Potential Providers should note that, subject to the terms of this PSQ, the Authority reserves the right to disqualify a Potential Provider where there is an actual or potential conflict of interest, including in relation to any other party identified in response to this PSQ. Such identified parties may include an associated company or member of any consortium or proposed sub-contractors.
    3. Potential Providers are required to review carefully the prior or current involvement of the Potential Provider or any other identified party before submission of the completed PSQ.
    4. Potential Providers must report to the Authority whether or not they have identified from this review any actual or potential conflicts of interest arising from the Potential Provider or any other identified party’s participation in the procurement
    5. If the Authority considers there is a conflict of interest, it is a condition precedent for participation in the procurement that the Potential Provider to demonstrate to the absolute satisfaction of the Authority that the Potential Provider or the other identified party has or will put in place measures to eliminate any unfair advantage it may have and ensure that its participation will not distort the competition.
    6. The measures mentioned at paragraph 16.5 above are likely to include (hereafter knows as Minimum Mitigation Measures): physical separation, protection of information, control of personnel and managerial and administrative separation.
    7. If the Potential Provider puts in place measures to mitigate any risk from a conflict of interest, the Authority may make such measures contractually binding commitments on the part of a Potential Provider or the other identified party.
    8. Any Potential Provider should take this condition into account when deciding whether to participate in this procurement.
14. Anti-Competitive Behaviour
    1. The Authority is required by Part 5 of the Procurement Act 23 to ensure that all Potential Providers are treated equally and in a non-discriminatory way during the procurement process. The Authority therefore needs to prohibit anti-competitive behaviour so as to ensure a fair and non-discriminatory procurement process.
    2. You are required to report any final convictions or settlements with regard to anti-competitive behaviour (and if so, any measures that you have taken to prevent such behaviour happening again) in your response to the appropriate question(s) in the Central Digital Platform.
    3. If the Authority suspects anti-competitive behaviour, the Authority will require evidence from you that your arrangements are not anti-competitive. Any evidence of any anti-competitive behaviour in relation to this procurement shall result in you being disqualified from the procurement process.

# **Procurement Act 2023 – Procurement Specific Questionnaire Overview**

Please refer to the PSQ on DSP for all selection questions. The Potential Provider is to submit their answers to the questions within the PSQ on the relevant sections of the DSP.

An overview of the Stages and Parts are shown below.

* **PSQ Stage 1 (PASS/FAIL EVALUATION):**
* **QUALIFICATION ENVELOPE**

PART 1A: Supplier Guidance

1.2 Documentation

1.3 Preliminary SI Basic Information

1.4 Confirmation of CDP SI Basic Information

PART 2A: 2.1 Associated Persons

PART 2B: 2.2 List of all intended sub-contractors

PART 2C: Sub-contractor supplier basic information

3.2 Electronic Trading

* **TECHNICAL ENVELOPE**

3.8 Equality

3.11 Russian / Belarusian Entities

3.12 Financial Assessment

3.13 Insurance

3.15 Data Protection

3.16 Technical Ability and Project Experience

3.17 Experience of Sub-Contractor Management

3.19 Health and Safety

PART 3B – PPNs

3.21 Additional Questions - PPN006 – Carbon Reduction in Contracts

3.22 Additional Questions – PPN009 - Tackling Modern Slavery in Supply Chains

# **Notes on PSQ Evaluation to Potential Tenderers**

1. The objective of the PSQ evaluation is to pre-qualify and select tenderers from Potential Providers for The Provision of Sessional Medical Advisors for Army Disclosures in accordance with Paragraph 9 (Selection of Tenderers) of the Instructions for this Procurement Specific Questionnaire.
2. **Right to Reject and/or Disqualify**
   1. The Authority reserves the right to reject or disqualify a Potential Provider where:
      1. the PSQ response is submitted late, is completed incorrectly, is incomplete or fails to meet the Authority’s submission requirements in the PSQ or as otherwise notified to Potential Providers prior to the deadline for submission of PSQ responses;
      2. the Potential Provider would be excluded if in breach of offences set out in Schedule 6 of the Procurement Act 23.
      3. It is at the discretion of the Authority to exclude suppliers who are in breach of offences set out within Schedule 7 of the Procurement Act 23.
      4. the Potential Provider is guilty of serious misrepresentation in relation to its application and / or the process;
      5. following pre-qualification of a Potential Provider for the next stage of the procurement there is a change in identity, control, financial standing or other factor affecting the Potential Provider unless approved by the Authority;
      6. if the Authority becomes aware that information provided by the Potential Provider in response to the PSQ is intentionally or unintentionally false, misleading or incorrect.
      7. the Potential Provider submits more than one response to the PSQ, including but not limited to responses as an independent entity and/or as part of a consortia. This is to ensure open competition and to prevent a conflict of interest.
3. **Right to Revisit PSQ Evaluation**
   1. The Authority reserves the right to revisit, and if necessary amend the result of, the evaluation if after completion of the evaluation:
      1. new information emerges which gives the Authority reason to doubt the original pre-qualification; or
      2. in relation to a bid by a consortium, a member of the consortium changes.
   2. The Authority also reserves the right at a later stage of this process to ask for evidence as to the claims made by and information provided by the Potential Provider pursuant to the PSQ.

Annex A: Economic and Financial PSQ Evaluation Criteria

1. **Technical Envelope 3.12 Financial Assessment**
   1. **Questions relating to economic and financial standing**
      1. Each Potential Provider Entity must provide responses to questions **PSQ 3.12 Financial Assessment** in order for the Authority to carry out its financial health assessment. If a Potential Provider Entity fails to provide the requested information, the Authority shall exclude the Potential Provider from further participation in the Procurement.
      2. In addition to the PSQ the Authority will also use the Central Digital Platform to retrieve information in regard to financial and economic standing.
   2. **Evaluation of economic and financial standing.**
      1. The Authority will use the information provided in the responses to questions **PSQ 3.12 Financial Assessment** to assess the financial standing of each Potential Provider Entity in accordance with the qualification standards set out in Figure 1 below. The resulting assessment will lead to a PASS/FAIL evaluation based on whether the Potential Provider Entity has demonstrated, through meeting the qualification standards, that it has sufficient economic and financial standing to provide services of the technical scope and scale of The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment. Subject to paragraphs 1.2.2, 1.2.3 and 2, the Authority reserves the right to exclude a Potential Provider Entity that does not meet the qualification standards set out in Figure 1 below.

| **Assessment** | **Methodology** | **Qualification standard** |
| --- | --- | --- |
| **All financial information** | The Authority will review all financial information obtained from the response provided to questions **PSQ 3.12 financial assessment** and may run further checks on the Potential Provider Entity accounts and the Company Watch credit rating check in order to establish a holistic view of the state of the Potential Provider Entity's financial health. | Failure to provide the financial information requested in this PSQ will result in the Potential Provider Entity failing to meet this qualification standard. |
| **Turnover** | The Authority will review each Potential Provider Entity’s turnover for the three full financial years prior to the date of this DPQQ. | If the estimated annual contract value for this procurement exceeds fifty per cent. (50%) of a Potential Provider's annual turnover, the Potential Provider will not meet this qualification standard. At this point it is the at the discretion of the Authority to exclude the potential provider from the competition or request for a parent company or bank guarantee.  Where the Potential Provider Entity intends to provide all or some of the requirement via a joint-venture company, Consortium Member, or other special purpose vehicle, the Authority will apply the assessment equally to the Potential Provider Entity.  Accordingly, where the value of a Potential Provider Entity’s intended contractual obligations and financial liabilities exceeds 50% of its annual turnover, again, it will be at the discretion of the Authority to exclude the potential provider from the competition. |
| **Liquidity ratios** | A Potential Provider Entity’s current assets are divided by current liabilities to establish if there are sufficient assets to cover all of the Potential Provider Entity’s liabilities as they fall due over the course of one year. | The Authority requires a Potential Provider Entity to have:   * a minimum current ratio of 1.0; and * a minimum acid test ratio of 0.8.   If these ratios are not met, the Potential Provider Entity will not meet this qualification standard. |
| **Company Watch** | Company Watch "H-Score" (an overall measure of a business' financial health – for more information, see [www.companywatch.net/analytics-insight/h-score](http://www.companywatch.net/analytics-insight/h-score)). | If a Potential Provider Entity does not have a score of 20 or above, the Potential Provider Entity will not meet this qualification standard.  Where Company Watch “H-Score” is unavailable, or for international companies, Net Debt/EBITDA (below) will be used as an alternative. |
| **Net**  **Debt/EBITDA** | An entity’s EBITDA is a proxy for the cash flow it generates from its ongoing operations. The Net Debt to EBITDA Ratio measures an entity’s ability to service its debt. | The Authority requires a Potential Provider Entity to have: · a maximum of 2.5 If this ratio is not met, the Potential Provider Entity will not meet this qualification standard. |
| *Figure 1: Economic and financial standing qualification standard* | | |

* + 1. If a Potential Provider Entity meets all of the qualification standards set out in Figure 1 above they will be awarded a PASS. Subject to paragraph 1.2.3 below, if a Potential Provider Entity does not meet one or more of the qualification standards set out in Figure 1 above, the Authority may award a FAIL for this evaluation.
    2. The Authority may choose not to award a FAIL despite a Potential Provider Entity not meeting a qualification standard if:
       1. the Potential Provider Entity can provide a parent company guarantee that:
          1. meets the requirements set out in paragraph 2 below; and
          2. in the Authority's opinion, gives the Authority sufficient comfort that the risks associated with the Potential Provider not meeting the qualification standard(s) will be effectively managed by the guarantee; and/or
       2. the Authority considers that there are appropriate mitigating factors demonstrating that the reason(s) behind not meeting the qualification standard(s)are either:
          1. unlikely to recur; or
          2. unlikely to expose the Authority to a significant degree of risk if a contract were to be awarded to the Potential Provider at the end of the procurement.

1. **Parent company guarantees and bank Guarantees**
   1. The Authority may also require a parent company guarantee from a Potential Provider Entity's ultimate parent company. The Authority may require this in a number of circumstances, including where:
      1. There is a failure to meet one or more of the qualification standards described at paragraph 1.2 above;
      2. The Potential Provider Entity that would contract with the Authority is a dormant or "shell" company for an intermediary company;
      3. The contracting entity would be a joint venture company, Consortium Member, or other special purpose vehicle; or
      4. The contracting entity otherwise:
         1. Has no adequate financial track record that the Authority is able to assess; or
         2. Lacks the financial capacity required to perform the services provided under The Supply and Delivery of Extreme Cold Weather (ECW) Clothing and Equipment but is otherwise, in the Authority's opinion, financially sound.
   2. The financial standing of any such parent company will be assessed in the same way as if the parent company were a Potential Provider Entity.
   3. Where a Potential Provider Entitydoes not have an ultimate parent company, the Authority may request a bank guarantee be obtained instead.