Transport for London

*[INSERT COMPANY NAME HERE]*’s Qualification Stage

**Part 3 (a) Economic, Financial and Quality Standing**

**For** **1992 Tube Stock Grab Pole Refurbishment**

**Response Guidance Part 3 (a) Economic, Financial and Quality Standing**

Please ensure that you have read the ITT Instructions **in full** prior to completing this response template and before submitting your response via the TfL e-Tendering portal: <https://procontract.due-north.com>

The Qualification Stage Economic, Financial and Quality Standing questions that require a response are listed within this response template. The scoring guidance is listed with each of the Qualification Stage questions so that you can easily refer to how your answers will be evaluated. Underneath each of the questions, you will find a response answer box, in which you must insert your answer to the relevant question.

**Please note the responses provided should address all the points listed in the question.**

**Key Response information:**

* The Bidder is required to answer **all questions**, submitted responses should refer to your submitted audited accounts
* The Bidder **must** supply company audited accounts, clearly titled and in a PDF format
* The Bidder should refer to Appendix A – Financial Assessment in the Invitation to Tender Instructions Document when responding to the questions as set out in this response template.
* The Bidder may supply supporting evidence as reference documentation. However, these unrequested documents **may not** be reviewed, so TfL recommends that the Bidder answers the question within the main answer section of this document and to not rely on supporting evidence appended outside of this response template

If additional evidence is provided which cannot be contained in the main answer section the Bidder is required to provide clear referencing within the body of their main answer e.g: *‘See page 2 of document ‘xxxxx.docx provided’*. If referencing is not used, TfL **may not** evaluate this information.

Once each question has been evaluated and scored either a Pass or Fail. This will then be reflected in the final scoring. Some questions may allow for a ‘Discretionary Pass’. This will be identified within the Assessment Criteria for the relevant question.

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| **Q4.1 Economic and Financial Standing** | | | |
| **Ref.** | **Question** | **Bidder Response** | **Assessment Criteria** |
| (a)  (b)  (c)  (d) | Please indicate which of the following you have provided to demonstrate your economic/financial standing:  A copy of your audited accounts for the last two years.  A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation.  A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position.  Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status).  ***Response Guidance***  *Please provide your documentation to demonstrate your economic / financial standing.*  *Please indicate below which you have provided to demonstrate your economic/financial standing: a, b, c or d.* | [BIDDER RESPONSE TO 4.1.a, b, c, d IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass**: The information provided is sufficient enough to enable the Authority to validate the financial ratio/calculation in section 4.2, has no adverse audit qualification, has no adverse material change or post balance sheet that is likely to affect the ability of the Bidder to deliver the contract of this nature and scale, and also does not and is not likely to adversely impact the ratios described in section 4.2 (if relevant) and it does not and is not likely to have a significant effect on the financial or trading position of the Bidder: adverse material changes also includes contingent liability, pending or threatened tax or regulatory investigations, pending or threatened litigations or other legal proceedings; Or the applicant has demonstrated that it can adequately manage the delivery of a contract of this nature and scale (for example by provision of sufficient credit support arrangements) and relevant examples have been provided as to how a contract of this nature and scale has been managed by the applicant, Member or Parent in the past. |
| **Fail:** The information provided is not sufficient enough to enable the Authority to validate the financial ratio/calculation in section 4.2; or there is adverse audit qualification, adverse material change or post balance sheet that is likely to affect the ability of the applicant to deliver the contract of this nature and scale; also the change is likely to adversely impact the ratios described in section 2, and it is likely to have a significant effect on the financial or trading position of the applicant; and the applicant has not demonstrated that it can adequately manage the delivery of a contract of this nature and scale (for example by provision of sufficient credit support arrangements). |

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| **Q4.2. Where we have specified a minimum level of economic and financial standing and/or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering ‘Yes’ or ‘No’ that you meet the requirements set out here:**  **The minimum financial thresholds applicable to this requirement are below:** | | | |
| **Ref.** | **Question** | **Bidder Response (Bidder to complete column)** | **Assessment Criteria** |
| 4.2a | Turnover: the Bidder's turnover is greater than or equal to £2 million per annum for the two previous financial years.  **Response Guidance**  Please *self-certify* by answering ‘Yes’ or ‘No’ that you meet the requirements set out. | [BIDDER RESPONSE TO 4.2a IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass**: the Bidder's turnover is greater than or equal to £1 million per annum for the two previous financial years; or the Bidder's turnover is less than £1 million per annum for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) but the Bidder has demonstrated that it can adequately manage the delivery of a contract of this nature and scale (for example by provision of sufficient credit support arrangements) and relevant examples have been provided as to how a contract of this nature and scale has been managed by the Bidder, Member or Parent in the past. |
| **Fail:** the Bidder's turnover is less than £1 million per annum for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) and the Bidder has not demonstrated that it can adequately manage the delivery of a contract of this nature and scale (for example by provision of sufficient credit support arrangements) and/or relevant examples have not been provided as to how a contract of this nature and scale has been managed by the Bidder, Member or Parent in the past. |
| 4.2b | Net income: the Bidder's net income is positive for the two previous financial years.  ***Response Guidance:***  *Provide reference to this information in your supporting evidence.* | [BIDDER RESPONSE TO 4.2b IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** the Bidder's net income is positive for the two previous financial years; or the Bidder's net income is negative for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) but has demonstrated that there are mitigating circumstances, that the loss was a one-off and is not indicative of persistent poor financial performance, that rectification action has been taken, that the profitability of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale (including the provision of any credit support arrangements) and that the level of loss has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| **Fail:** the Bidder's net income is negative for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) and has not demonstrated that there are any mitigating circumstances and/or that the loss is not indicative of persistent poor financial performance and/or that rectification action has been taken and/or that the profitability of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale (including the provision of any credit support arrangements) and/or that the level of loss has not and is not expected to have a significant effect on the financial or trading position of the Bidder |
| 4.2c | Current ratio (i.e. current assets / current liabilities): the Bidder's current ratio is greater than or equal to 1.2 for the two previous financial years.  ***Response Guidance:***  *Please provide any details as necessary to support your current ratio – especially if it is less than 1.2 for the two previous financial years.* | [BIDDER RESPONSE TO 4.2c IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** the Bidder's current ratio is greater than or equal to 1.2 for the two previous financial years.  **Discretionary Pass:** the Bidder's current ratio is less than 1.2 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) but the Bidder has demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due, that there are mitigating circumstances, that the liquidity of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and that the liquidity position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| **Fail:** the Bidder's current ratio is less than 1.2 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) and the Bidder has not demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due and/or that there are any mitigating circumstances and/or that the liquidity of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and/or that the liquidity position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| 4.2d | Adjusted current ratio (i.e. current assets/current liabilities (including debt due between 1 and 2 years)): the Bidder's adjusted current ratio is greater than or equal to 1.0 for the two previous financial years.  ***Response Guidance:***  *Please provide any details as necessary to support your adjusted current ratio – especially if it is less than 1.0 for any of the two previous financial years.* | [BIDDER RESPONSE TO 4.2d IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass**: the Bidder's adjusted current ratio is greater than or equal to 1.0 for the two previous financial years.  **Discretionary Pass:** the Bidder's adjusted current ratio is less than 1.0 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) but the Bidder has demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due, that there are mitigating circumstances, that the liquidity of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and that the liquidity position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| **Fail:** the Bidder's adjusted current ratio is less than 1.0 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) and the Bidder has not demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due and/or that there are any mitigating circumstances and/or that the liquidity of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and/or that the liquidity position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| 4.2e | Capital gearing ratio (i.e. long term total borrowings/equity share capital): the Bidder's capital gearing ratio is less than or equal to 1.0 for the two previous financial years.  Equity share capital includes equity share capital and all reserves. Long-term total borrowings includes debentures, preference shares, finance leases, loans from group companies and other long term loans.  ***Response Guidance:***  *Please provide any details as necessary to support your Capital Gearing ratio – especially if it is greater than 1.0 for any of the two previous financial years.* | [BIDDER RESPONSE TO 4.2e IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** the Bidder's capital gearing ratio is less than or equal to 1.0 for the two previous financial years.  **Discretionary Pass:** the Bidder's capital gearing ratio is greater than 1.0 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) but the Bidder has demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due, that there are mitigating circumstances, that the gearing of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and that the gearing position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| **Fail:** the Bidder's capital gearing ratio is greater than 1.0 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) and the Bidder has not demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due and/or that there are any mitigating circumstances and/or that the gearing of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and/or that the gearing position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| 4.2f | Debt to earnings ratio (i.e. total borrowings/EBITDA): the Bidder's debt to earnings ratio is less than or equal to 3.0 for the two previous financial years.  Total borrowings includes debentures, preference shares, finance leases, loans from group companies and other long term loans, as well as all short term borrowings such as overdrafts. EBITDA means earnings before interest, taxation, depreciation and amortisation.  ***Response Guidance:***  *Please provide any details as necessary to support your debt to earnings ratio – especially if it is greater than 3.0 for the two previous financial years.* | [BIDDER RESPONSE TO 4.2f IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** the Bidder's debt to earnings ratio is less than or equal to 3.0 for the two previous financial years.  **Discretionary Pass:** the Bidder's debt to earnings ratio is greater than 3.0 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) but the Bidder has demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due, that there are mitigating circumstances, that the level of debt of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and that the debt position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| **Fail:** the Bidder's debt to earnings ratio is greater than 3.0 for any of the two previous financial years (or the Bidder is not yet incorporated or has not been trading for the required length of time) and the Bidder has not demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due and/or that there are any mitigating circumstances and/or that the level of debt of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and/or that the debt position has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| 4.2g | According to the latest available comprehensive report from Creditsafe, the Bidder's risk indicator greater than or equal to 30.  ***Response Guidance:***  *Please provide any details as necessary to support your Creditsafe rating especially if the rating is 30 or less.*  *TfL will obtain these Creditsafe reports from Creditsafe directly. Bidders are not required to submit Creditsafe reports as part of their response.* | [BIDDER RESPONSE TO 4.2g IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass**: the Bidder's Creditsafe rating is greater than or equal to 30.  **Discretionary Pass**: the Bidder's Creditsafe rating is less than 30 or a Creditsafe rating is not assigned (or the Bidder is not yet incorporated or has not been trading for the required length of time) but the Bidder has demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due, that there are mitigating circumstances, that the risk of failure of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and that the risk of failure has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |
| **Fail**: the Bidder's Creditsafe rating is less than 30 or a Creditsafe rating is not assigned (or the Bidder is not yet incorporated or has not been trading for the required length of time) and the Bidder has not demonstrated (including in relation to any credit support arrangements) that liabilities can be serviced as they fall due and/or that there are any mitigating circumstances and/or that the risk of failure of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale and/or that the risk of failure has not and is not expected to have a significant effect on the financial or trading position of the Bidder. |

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| **Q5. If you have indicated in the Qualification Stage Parts 1 and 2 Question 1.2 that you are part of a wider group, please provide further details below:** | | | |
| **Ref.** | **Question** | **Bidder Response (Bidder to complete column)** | **Selection Criteria** |
|  | Name of organisation  ***Response Guidance***  *Bidder to provide name of organisation* |  | N/A |
|  | Relationship to the Bidder completing these questions  ***Response Guidance***  *Bidder to provide relationship of organisation* |  | N/A |
| 5.1 | Are you able to provide parent company accounts if requested to at a later stage?  ***Response Guidance***  *Please self-certify by answering ‘Yes’ or ‘No’ that you meet the requirements set out.* | [BIDDER RESPONSE TO 5.1 IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** Bidder either answers 'Yes', or 'No' but has indicated in 4.1(a - c) that they can provide alternative evidence of Economic and Financial Standing which meets the Authority's requirements. |
| **Fail:** Bidder answers 'No' and has failed to indicate that an alternative form of evidence, to demonstrate Economic and Financial Standing, can be provided in 4.1 (a - c). |
| 5.2 | If yes to question 5.1, would the parent company be willing to provide a guarantee if necessary?  ***Response Guidance:***  *If required, please provide further details as necessary to confirm parent company’s ability to provide a guarantee.* | [BIDDER RESPONSE TO 5.2 IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** Bidder either answers 'Yes', or 'No' but has indicated in 4.1(a - c) that they can provide alternative evidence of Economic and Financial Standing which meets the Authority's requirements. |
| **Fail:** Bidder answers 'No' and has failed to indicate that an alternative form of evidence, to demonstrate Economic and Financial Standing, can be provided in 4.1 (a - c)." |
| 5.3 | If no to question 5.1, would you be able to obtain a guarantee elsewhere (e.g. from a bank)?  ***Response Guidance:***  *If required, please provide further details as necessary to confirm your ability to provide a guarantee from elsewhere.* | [BIDDER SQ RESPONSE TO 5.3 IN THIS TEXT BOX]  [YOU MUST KEEP TO ARIAL SIZE 9 FONT]  [DO NOT AMEND DIMENSIONS OR FORMAT]  [LIST FILE NAMES FOR ANY SUPPORTING EVIDENCE SUBMITTED] | **Pass:** Bidder either answers 'Yes', or 'No' but has indicated in 4.1(a - c) that they can provide alternative evidence of Economic and Financial Standing which meets the Authority's requirements. |
| **Fail:** Bidder answers 'No' and has failed to indicate that an alternative form of evidence, to demonstrate Economic and Financial Standing, can be provided in 4.1 (a - c). |

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