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#  Invitation to Tender (ITT) for School Meals and Shire Hall Catering Services Framework Agreement

**Document 5a** – **Financial and Economic Standing**

1. The objectives of undertaking Tenderer’s financial assessment as part of a procurement exercise are to:

	1. Assess the risk to public sector business and/or public money which would result if a Tenderer bidding for a contract were to go out of business, or have inadequate financial resources to perform the contract; and
	2. When justified, eliminate from the procurement any organisation whose financial capacity would pose an unacceptable risk to business and/or public money.
2. **Minimum Requirements:**
	1. The minimum requirements are:
* An annual turnover for Lot 1 School Meals and Lot 2 Shire Hall Catering must be greater than twice the anticipated minimum annual value of the contract (£7,159,995) i.e. £14,319,990
* An annual turnover for Lot 2 Shire Hall Catering must be greater than twice the anticipated minimum annual value of the contract (£141,375) i.e. £282,750
* A Creditsafe score of at least 30, conducted by the Authority
* Satisfactory Bank reference supplied by the Bidder
* A copy of the last 2 years statement of accounts
* For Consortium bids, the lead organisation must be identified and have annual turnover that meets the above criteria.
	1. These minimum requirements are mandatory. Failure to meet all of these requirements may exclude you from this procurement. Failure to meet one of the requirements will not result in automatic exclusion, but may be considered as grounds for discretionary exclusion.
1. **Financial Robustness Score**
	1. You will need to provide information to enable GCC to calculate a financial robustness score using the scoring mechanism shown in the table below. There is a minimum requirement to score 40 or above by either the bidder or its parent company if provided as a guarantee. However any score between 30-39 will require a Letter of Credit to the value of the contract(s). Failure to meet the financial robustness score of 40 or above will not result in automatic exclusion, but may be considered as grounds for discretionary exclusion.
	2. The information you provide in answer to question 4.1 (Document 6 Selection Questionnaire) must enable us to complete the whole financial robustness assessment of Profitability, Liquidity, Gearing, Turnover and Net Assets

**Table 5a.1 Economic and financial standing assessment framework**

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| --- | --- | --- |
| **Economic and Financial Standing Criteria** | **Maximum Score** | **Weighting (%)** |
| Financial Robustness |
| * Profitability
 | 20 | 20 |
| * Gearing
 | 25 | 25 |
| * Liquidity
 | 25 | 25 |
| * Turnover and net asset analysis
 | 30 | 30 |
| **TOTAL** | **100** | **100** |

* 1. Please note that in question 5.2 (Document 6: Standard Selection Questionnaire), if you have ticked the box to say that a parent company guarantee could be provided then we will make the assessment using the accounts of the parent company if the subsidiary accounts do not meet our robustness criteria. Therefore please consider the financial robustness assessment criteria when considering the organisation providing the guarantee.
	2. If you have scored between 40-49 in the financial robustness test then a Letter of Credit or another form of assurance will be required therefore please advise us of the nature of this guarantee so we can confirm if it is acceptable.
	3. Full details of the information required and how it will be used in the financial robustness calculation can be found in Appendix B Financial Methodology.
1. **Financial Information**
	1. The successful organisation may be asked to submit a written reference from your bank, confirming that you are in a satisfactory financial position to deliver the Service.
	2. ***The original hard copy of the written Bank Reference will need to be submitted to the Authority, if your tender is successful at Contract Award.***
	3. If your parent company is providing a guarantee (cross reference) please provide the financial information for the parent company as set out in the SQ 4.1 (Document 6) in accordance with the guidance set out in 1. Minimum Requirements.