

# Registration

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## Part 5: Financial Risk

### Evaluation guidance

Your financial risk will be evaluated PASS/FAIL.

What we will do to assess your financial risk

#### Stage 1

We will use a credit reference agency (Creditsafe) to obtain a financial risk score (Creditsafe Failure Score) for you and any members of your consortium or any nominated guarantor(s).

If the financial risk score associated with the Dynamic Purchasing System is 40 or more, or there is an equivalent international score, you will receive a Pass for this question.

#### Stage 2

If the score is less than 40 or no financial risk score is available then we will ask for copies of your financial statements, audited if applicable, for the two most recent years.

If there are no financial statements available, we will ask for other information including:

- a statement of turnover, profit and loss account/income statement, balance sheet/statement of financial position and statement of cash flow for the most recent period of trading
- forecast financial statements and cash for the current year and a bank letter outlining the current cash and credit position and/or
- an alternative means of demonstrating financial status

If the information we ask for is not provided you will Fail this question and your bid may be rejected.

#### Stage 3

We will then use the information provided at stage 2 above to assess the level of financial risk using our financial risk assessment template, attachment 3. If the level of financial risk is unacceptable, you will Fail this question.

If the level of risk is acceptable with mitigating actions, and you have not already nominated a

guarantor we will ask you to name a guarantor.

If you have nominated a guarantor and your nominated guarantor's level of financial risk is unacceptable, you will Fail this question and your bid may be excluded.

#### Stage 4

If you name a guarantor, stages 1, 2 and 3 above will be repeated on the guarantor. If you cannot provide a guarantor whose level of financial risk is acceptable, or you cannot provide a guarantor, you will Fail this question and your bid may be excluded.

If any member of a group or a consortium has a level of financial risk which is unacceptable, and you cannot provide a guarantor whose level of financial risk is acceptable, then you will 'Fail' this question and the consortium bid may be excluded.

We may require bidders to provide a guarantee/bond at the award of the first Utilities Services Contract, in the event that the bidders is awarded a place on the DPS.

#### 1.20.4 Would you, or any of the members of the consortium, prefer us to carry out the financial risk score and financial risk assessment on a guarantor?

☐ Yes

☐ No

#### What are the details of your guarantor

##### 1.21.2 Have you attached the 'information and declaration' workbook attachment 4 as completed by the nominated guarantor, without amendment?

Please name the file [Guarantor\_insertyourcompanyname]

Upload File (5MB maximum)

##### 1.21.3 Confirm that your nominated guarantor has agreed to complete a deed of guarantee in favour of CCS and all buyers in the form set out in Joint Schedule 8 (Guarantee) prior to any award being made

☐ Yes

☐ No

☐ N/A

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