

# RFP 20-0020, Water Mitigation and Mold Remediation Estimate Review Services

## Attachment C: Financial Information Form

### FINANCIAL REVIEW

1. As a risk management best practice and part of the responsible vendor determination (pursuant to ss. 287.057 and 287.012, F.S.) Citizens will evaluate the Vendor's financial stability, viability and capacity. Citizens will review documentation submitted by the Vendor to evaluate the Vendor's financial stability, viability, and capacity. The extent of the financial review required is based on the perceived level of risk associated with the services procured and term of the contract.

The general standard of review is whether the documents provided demonstrate the Vendor has the financial stability, viability, and capacity to perform the services under the contract for the term of the contract. The following criteria will be integral in applying this general standard:

- a) **Solvency** – the ability of a Vendor to meet its long-term obligations and remain in business over the life of the contract. Solvency analysis includes comparison of total assets, total liabilities, and owner's equity. It also may include consideration of the nature and type of a Vendor's assets and liabilities, and trends in operating results that could affect future solvency over the life of the contract.
  - b) **Liquidity** – the ability of a Vendor to pay its immediate or short-term obligations. Liquidity analysis includes comparison of current assets and current liabilities. It also may include consideration of a Vendor's cash flows and cash reserves.
  - c) **Profitability** – the financial results of a Vendor's operations; the excess or deficit of revenue over expenses. Profitability analysis includes consideration of a Vendor's recent operating results, trend analysis, and effect on the Vendor's related solvency.
  - d) **Capacity** – the financial ability of a Vendor to produce the required goods or services over the term of the contract. Capacity analysis includes consideration of size of the contract to the financial resources available to the Vendor, and to the Vendor's current volume of business.
2. Mandatory Requirement. The Vendor shall submit, the following financial documentation:
    - Financial statements including, at a minimum, a balance sheet and income statement for the Vendor's most recent fiscal year (full 12-month period or the period the entity has been in existence if less than one year), identifying the basis of accounting on which the financial statements are reported. Options for complying with this mandatory requirement are provided in Section 3, Financial Statements, below.
    - Submission of a current and valid W-9 or W-8 Form is requested along with the other financial documents. Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.
  3. Financial Statements. Options for complying with the mandatory requirement in Section 1, above, are provided in a) – f), below. The level of assurance provided by the financial statements submitted will be considered by Citizens according to the following priority, in order, beginning with the highest level of assurance:
    - a) Financial statements accompanied by the **Audit** report of an independent certified public accountant.
    - b) Financial statements accompanied by the **Review** report of an independent certified public accountant.

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- c) Financial statements accompanied by the **Compilation** report of an independent certified public accountant.
  - d) Financial statements otherwise prepared by a certified public accountant.
  - e) Financial statements prepared by the Vendor's internal management.
  - f) Consolidated financial statements identified in a) – e) of the Vendor's parent entity together with a parental guaranty assuring the parent entity will financially support the Vendor throughout the term of the prospective contract.
4. Financial Stability, Viability and Capacity Determination (PASS/FAIL). The Vendor may submit its financial documentation in any manner described in Section 3, above. For Vendors submitting documentation under options 3.b) - 3.f), Citizens, or its designee, will assess the financial stability and viability of the Vendor and make a PASS/FAIL determination, considering:
- a) The level of assurance provided by the financial documentation submitted. Lower priority levels of documentation are more likely to require additional documentation under Sections 5 and 6, below.
  - b) The financial condition or position of the Vendor during the most recent year.
  - c) The results of operations of the Vendor during the most recent year.
  - d) Cash flow of the Vendor during the most recent year.
  - e) Assessment of solvency, liquidity, and profitability.
  - f) Assessment of capacity.
  - g) Disclosures regarding subsequent events, contingencies, concentrations, and litigation.
  - h) Any other information included in the financial statements which could have an effect on the financial stability and viability of the Vendor.
5. Financial Review Pending. Citizens may issue a Financial Review Pending status to a Vendor while pursuing alternative or additional documentation under Section 6, below. A Vendor is eligible to advance to evaluations and negotiations after receiving a Financial Review Pending status; however, the Vendor is not eligible for award unless a **PASS** determination is ultimately made by Citizens, or its designee.
6. Clarifications and Additional Documentation. Citizens, in its discretion, may request alternative or additional documentation, or assurances, from Vendors which could assist in demonstrating financial stability and viability. The documentation may include copies of tax returns, interim and supporting accounting reports, banking records, affiliated company financial reports, a parental guarantee, or provide credit ratings, such as, Fitch Ratings, Moody's or Standard & Poor's. The level of assurance and applicability of such information submitted by a Vendor will be considered by Citizens in making its PASS/FAIL determination.

### SUBMISSION CHECKLIST

<b>W-9 or W-8 Form</b>
<b>Complete Financial Statements for the Most Recent Fiscal Year. Financial Statements should Include:</b>
1. Balance Sheet 2. Income Statement
<b>Redacted Financial Information - Refer to Section 3.3 of the Solicitation</b>