**Document 7B – Criteria used for evaluation of economic and financial capacity**

On the basis of the data from the 'Simplified Presentation viability-checks' form (Document 7A), a number of values and ratios will be calculated in order to evaluate the economic and financial capacity of the applicant laboratories.

The following values will be calculated:

|  |  |  |
| --- | --- | --- |
| **Value** | **Formula/source** | **Unfavourable if:** |
| own funds | from the balance sheet | negative |
|  | own funds - paid-up capital | negative |
| working capital | permanent capital - fixed assets | negative |
| gross operating surplus | from the P&L accounts | negative |
| net result | from the P&L accounts | negative |
| self-financing capacity (SFC) | net result after tax + amortization – capitalized production | negative |

Following ratios are calculated:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ratio** | **Formula** | **Unfavourable if** | **Average if** | **Favourable if** |
| general liquidity | current assets/short-term debts | below 1 | between 1 and 1.25 | above 1.25 |
| financial independence | own funds/total liabilities | below 0.20 | between 0.20 and 0.40 | above 0.40 |
| indebtedness | own funds/medium & long-term debts (MLT) | below 0.30 | between 0.30 and 0.60 | above 0.60 |
| coverage of deposits and borrowed funds by the SFC | SFC / MLT debts | below 0.25 | between 0.25 and 0.50 | above 0.50 |
| profitability | gross operating surplus / turnover | below 0.10 | between 0.10 and 0.20 | above 0.20 |

Each type of evaluation has a corresponding scoring (number of points) as follows:

|  |
| --- |
| **Scoring** |
| Unfavourable value/ratio | 0 points |
| Favourable value | 1 point |
| Average ratio | 1 point |
| Favourable ratio | 2 points |

In order to meet the financial capacity criterion, the applicant laboratory must obtain a score of at least 8 points (out of a total of 16 points), which corresponds to 50% of the maximum number of points.

If, for some exceptional reason which the contracting authority considers justified, the candidate is unable to provide the references requested by the contracting authority, or if he feels that the financial viability check does not provide an accurate picture of his organisation's financial status, he may prove his economic and financial capacity by any other means which the Commission considers appropriate.