

Committee on Governmental Oversight and Accountability

CS/CS/HB 1057 — Evidence of Vendor Financial Stability

by State Affairs Committee; Government Operations Subcommittee; and Rep. Andrade (CS/CS/SB 1952 by Appropriations Committee; Governmental Oversight and Accountability Committee; and Senator Albritton)

The bill amends s. 287.057, F.S., to permit an agency to establish financial stability criteria when determining whether a vendor is responsible relating to a competitive solicitation and to require a vendor to demonstrate its financial stability during the competitive solicitation process. The bill specifies the following as forms of evidence an agency must accept if it requires a vendor to show financial stability:

- Audited financial statements that demonstrate the vendor's satisfaction of financial stability criteria;
- Documentation of an investment grade rating from a credit rating agency designated as a nationally recognized statistical rating organization by the Securities and Exchange Commission;
- A letter issued by the chief financial officer or controller to verify the vendor's satisfaction of financial stability criteria, for a vendor with annual revenues exceeding \$1 billion; and
- A letter containing a written declaration issued by the chief financial officer or controller to verify the vendor's satisfaction of the criteria established by the agency, for a vendor with annual revenues exceeding \$1 billion. The criteria established by the agency must be reasonably related to the value of the contract and may not include audited financial statements.

The bill defines the term financial stability to mean, at a minimum, having adequate income and capital and the capacity to efficiently allocate resources, assess and manage financial risks, and maintain financial soundness through the term of the contract. The bill does not preclude an agency from requiring a performance bond for the duration of the contract, when appropriate.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 37-0; House 112-0