**Section 605.30 Financial Integrity**

a) The proposer who is selected to be contractor shall establish that it has the financial resources necessary to design, develop, construct, operate and close the low-level radioactive waste disposal facility. In addition, the proposer must have resources sufficient to meet the contractor's obligations regarding closure and post-closure (32 Ill. Adm. Code 601). Further, because it is likely that the low-level waste disposal facility will receive mixed waste (i.e., waste that has both radioactive and hazardous components), when evaluating the financial integrity of the proposers, the Agency shall establish whether the firm is capable of meeting the financial requirements of 35 Ill. Adm. Code 724. Specifically, the Agency shall negotiate a contract only with a proposer that is capable of meeting either of the following two financial tests:

1) Test One: The proposer must have:

A) Two of the following three ratios:

i) a ratio of total liabilities to net worth less than 2.0;

ii) a ratio of the sum of net income plus depreciation, depletion and amortization to total liabilities greater than 0.1;

iii) a ratio of current assets to current liabilities greater than 1.5; and

B) Net working capital and tangible net worth each at least six times the sum of the closure and post-closure costs estimates contained in the proposal; and

C) Tangible net worth of at least $10 million; and

D) Assets in the United States amounting to at least 90 percent of its total assets or at least six times the sum of the closure and post-closure estimates contained in the proposal.

2) Test Two: The proposer must have:

A) A current rating for its most recent bond issuance of AAA, AA, A or BBB as issued by Standard and Poor or Aaa, Aa, A or Baa as issued by Moody; and

B) Tangible net worth at least six times the sum of the closure and post-closure cost estimates contained in the proposal; and

C) Tangible net worth of at least $10 million; and

D) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the sum of the closure and post-closure cost estimates contained in the proposal.

b) When evaluating whether a proposer is capable of satisfying the financial requirements of 32 Ill. Adm. Code 601, the Agency shall consider:

1) The proposer's current assets and liabilities;

2) The proposer's short-term and long-term debt;

3) The proposer's credit rating;

4) The most recent Form 10K and all Form 10Qs since the last 10K that the proposer (or if more than one firm is proposing, all proposers) has filed with the United States Securities and Exchange Commission;

5) If proposer has not filed a Form 10K with the United States Securities and Exchange Commission, audited financial statements for the past three fiscal years and quarterly financial reports for the past two years;

6) Court decisions, decrees or agreements that have been issued or that are pending and that could adversely affect the financial well-being of the company;

7) Whether the proposer has ever initiated bankruptcy proceedings, either voluntary or involuntary, as well as the time and performance of the proposer since the proceedings; and

8) Any additional information provided by proposer.

c) When determining whether a proposer is capable of satisfying the financial requirements of 32 Ill. Adm. Code 601, the Agency shall apply the accounting standards of the Financial Accounting Standards Board (FASB) (see www.fasb.org).

(Source: Amended at 37 Ill. Reg. 12414, effective July 19, 2013)