

Notation calculation for consultants



Constructionline gives all consultants a value and this calculation is called a notation.

Our unique notation formula has been developed over a period of years by key buyers, industry leaders (including CIC) and government bodies. The formula looks at a supplier's financial ability and established track record for successfully delivering contracts in each category to a certain value.

The notation calculation used by Constructionline is based on the fee element of the professional, not the total build cost. The notation is calculated as the lowest of four amounts that bring together the last reported annual turnover, net assets and the average value of references obtained. It is based on the original criteria agreed with buyer and supplier working groups.

EXAMPLE

Finance factor

Turnover	1,200,000	
{divided by 3}	400,000	
Net assets	150,000	
{multiplied by 5}	750,000	
Average of sum above	1,150,000	= 575,000

Reference factor

Substantiated proof of service or product 200,000 multiplied by reference factor* 2 = **400,000**

Turnover Cap

Turnover	1,200,000	
{minus 25%}	300,000	
=	900,000	

Reference Factor Cap

Reference factor	400,000	
{add 25%}	+100,000	
=	500,000	

The Notation figure is then set to the lowest of the turnover cap and reference factor cap figures in the example eg: 500,000

* In recognition of the variation in the frequency of work and likely contract values, a reference factor will be allocated to each category which enables different specialisms to be compared on a like-for-like basis. The highest multiple is 3 and will change according to product and service.

References

Each consultant has to supply a minimum of two satisfactory references for each sector/discipline of work. These references must be for the fee amount within the last four years and needs to include a value for those fees.