

Buyer Criteria Explained



Overview

Constructionline is the UK's largest procurement and supply chain management service for the construction industry. We make the supplier assessment process less painful for all concerned and in doing so, ensure that our Buyers are able to work with suppliers that have proven they adhere to current legislation, have the appropriate policies or processes in place and align with your requirements.

Verification

Constructionline undertake a range of rigorous checks and audits to verify the information provided by each supplier is accurate and reliable, not only at the time of registration, but using our market leading platform we are able to maintain the accuracy and reliability of information on an ongoing basis, giving buyers the confidence they need to contract with suppliers.

Company Details

We require suppliers to provide full contact details of their registered office, head office and branch offices, or principal business (as appropriate) as well as the name of the legal entity/sole trader and trading name, as shown on their accounts. We check the name on the accounts against all other information provided and against the Companies House register.

If a VAT number and Unique Tax Reference number is provided (this is not mandatory) this will be checked with HMRC. This information is then available for use in buyer payment systems to save having to request it separately.

We also request information of any business relationship a supplier may have with any other companies. This list must include the names and addresses for their Ultimate Holding Company and other associated companies. Any associated companies will be shown on our database with an explanation of the type of company link e.g. UHC, subsidiary, etc. This helps with the production of tender lists and searches and provides buyers with all the information necessary to decide who to choose to tender (potentially excluding companies from the same group, to avoid duplication).

Details Submitted	Verification
Contact Details: Registered Office/Head Office/Branches	New applicants – Details checked against Companies House register.
Incorporation: Date set-up/Incorporated	Renewals - Monitored by Experian and any notifications reported to Accountants daily.
Tax and VAT VAT Number/UTR	Checked against VAT Information Exchange System (VIES) and HMRC.
Staff Number of Staff on PAYE Number of Sub-contract staff	Triggers check for employer's liability insurance

Director and Partner Information

We collect the name, date of birth and home postcode of all Directors and/or Partners plus company secretaries and persons holding more than 20% of the paid-up share or loan capital of the company.

We require any offences committed by a business (including managers, decision makers and those in control) to be declared and request any policies relating to bribery and corruption.

We will search the Companies House Disqualified Directors register, to ensure none of the Directors have been disqualified or have declared links to any other companies on our database.

Details Submitted	Verification
Directors Details: Name/DOB/Home Postcode	New applicants – Details checked against Companies House Disqualified Directors list. If found information is passed to accountants for further investigation. Renewals - Monitored by Experian and reported to Accountants daily.

We update information daily through data supplied by Experian, which our team of qualified accountants review looking for any notifications relating to suppliers registered with Constructionline. Any relevant information is uploaded for buyers to view in the supplier's profile.

Categories & References

We require a supplier to provide at least two references for each work category they are registered against, these references must be for work completed no more than four years ago. References will be kept up to date and relevant all the time a supplier is registered with Constructionline and new references are requested whenever they become more than four years old.

References include a value and the date work was carried out. We contact referees to confirm details are correct and only then is a supplier recommended to a buyer as someone who has carried out that type of work in the past. The value on each reference indicates proven past capability of carrying out works to that value. It is also used in the notation calculation (see Accounts section for further details).

Details Submitted	Verification
Categories: All work categories supplier wishes to be considered for (additional categories can be added at any time after initial registration).	System automatically requests suppliers upload any mandatory Licences and accreditations for Work categories selected.
References: Minimum of 2 references required for each work category (a single reference may cover more than one work category).	Verified with the referee, to confirm the type of work (to correspond with work categories chosen), value of work and date it was completed.

The following shows the Status meaning within the Work Category section, these will affect the overall Supplier status if not managed by the Supplier proactively.

The Monthly Statement will highlight any areas that require action by the Supplier.

Work Category Statuses:

Status	Meaning
Verified	Work Category Fully Verified and visible in searches
Unverified	Awaiting Verification/Action by Constructionline
Updates Required	More information is required from Supplier. Error code added by CL confirming what requires actioning by Supplier
Suspended	Reference or license/ accreditation, where applicable, has expired and a new one needs uploading if this is to be seen in searches
Saved	Supplier has selected a work category, but yet to submit information

Licences & Accreditations

We check all of the required information has been provided and all supporting documentation, including any licence or accreditation information specific to a work category has been uploaded. Our Client services teams will contact suppliers to advise when further information is required and only once we have confirmed the supplier holds the appropriate skills and qualifications is the work category added to their profile on the database. This information is viewable, can be used in search criteria and PDF copies of certificates can be downloaded should they be required.

Details Submitted	Verification
<p>Licence details: Issuing authority</p> <p>Licence Number</p> <p>Start/End date</p> <p>Upload copy of certificates</p>	<p>New Applicants: Check all mandatory licences submitted e.g. Gas Safe Certificate for Boiler Installations. Check licences are in date and for the correct company.</p> <p>Renewals: Issue notifications when licences are due to expire, as part of the monthly update to suppliers.</p> <p>Check new licences are correct.</p> <p>Remove work categories from a supplier's profile where any mandatory licences have expired and require updating.</p> <p>Expiration of any licence used as exemption would result in an "updates required" status being applied.</p> <p>Expiration of any non-mandatory licences do not affect a supplier's overall status.</p>

Insurance

We require all suppliers to provide evidence of valid public liability insurance and if staff are employed, employer's liability insurance. Consultants and contractors applying for design and build work categories must have current professional indemnity insurance and material suppliers must have product liability insurance. Relevant information from certificates must be entered into the system and copies uploaded. Expiry dates are captured in the system and our client services teams notify suppliers when policies are due to expire. Suppliers that do not provide updates for insurance documents are automatically suspended and buyers are notified.

Details Submitted	Verification
<p>Insurance details: Insurance type</p> <p>Insurers name</p> <p>Policy Number</p> <p>Expiry</p> <p>Limit of liability</p> <p>Excess</p> <p>Limit for single event</p> <p>Upload copy of certificate</p>	<p>New Applicants: Check correct insurance for business</p> <p>Check details on certificate or brokers letter.</p> <p>Renewals: Issue notifications when insurance is due to expire.</p> <p>Check new insurance documents submitted are correct.</p> <p>Expiry of insurance would result in an "Updates required" status.</p>

Accounts

We require a copy of a supplier's full annual accounts for the latest accounting period, which must be signed, dated and declared as a true representation. These include: profit & loss, balance sheet, director's report, notes etc. The accounts are used to assess the financial strength of a company and to allocate a financial figure called a notation value which is a recommended contract value. Any accounts that do not pass a thorough financial check are referred to our team of qualified financial accountants to be assessed separately who will contact suppliers or their accountants for more information.

Our aim is to ensure suppliers are financially viable and are unlikely to expose a buyer to undue risk of financial failure if selected to be invited to tender.

We also provide a separate process for businesses which may not yet have a full set of annual accounts encouraging the participation of start-up and SMEs.

Details Submitted	Verification
Full annual accounts for latest accounting period: Profit & Loss, Balance Sheet, Directors report and notes	<p>Net assets: Net assets to turnover ratio is calculated and anything below 3% is referred to our accounts for further investigation.</p> <p>Low current ratio: A measure of the short term liquidity position of the business. Anything below 0.8 is referred for further investigation.</p> <p>Gearing: Financial leverage assessment is carried out and a high value would be investigated further.</p> <p>Consecutive losses: A second year loss along with a first year loss having significant impact on net assets (FY loss greater than 1/2 of net assets) would be referred for further investigation.</p> <p>Deficiency: If the liabilities are greater than the assets of the businesses, the negative equity situation would be referred for further investigation</p>

Accounts

Details Submitted	Verification	
Full annual Accounts and value of a minimum of 2 previous projects undertaken (References)	Notation Value (Example Calculation):	
	Financial factor	
	Turnover	1,200,000
	Divide by 3	400,000
	Net Assets	150,000
	Multiply by 5	750,000
	Average	575,000
	Reference factor	
	Proof of service	200,000
	Multiply by 2*	400,000
	Provisional Value	
	Average Finance/Reference	487,000
	Reference Factor Cap	
	Reference factor	400,000
Increase by 25%	500,000	
The Notation value displayed is the lowest of the 4 figures.	Turnover Cap	
	Turnover	1,200,000
	Reduced by 25%	900,000
	Buyer own Max Cap	350,000
*A reference factor is allocated to each category of work to enable different specialisms to be compared on a like for like basis.		

Once approved we display each supplier's company turnover and notation value to let buyers know that they are contracting with a financially stable business and to provide guidance on the value of projects the supplier is judged capable of undertaking.

We update supplier information daily through data provided by Experian. Our team of accountants review any financial notices relating to suppliers registered with Constructionline and any relevant information is uploaded for buyers to view in the supplier's profile.

Business and Professional Standing

We ask suppliers to declare any offences committed by their business (including managers, decision makers and those in control) and request copies of any policies relating to bribery and corruption to ensure our buyers are confident they are contracting with bona fide businesses.

Details Submitted	Verification
<p>Offences: Past or ongoing/pending Criminal or Civil Court actions in respect of business activities.</p> <p>Unresolved enforcement/remedial orders (such as those in relation to: Environmental Agency or Office of Rail Regulation enforcement), for the last three years?</p> <p>Convictions for conspiracy, corruption, bribery, fraud, theft, etc.</p> <p>Significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions.</p>	<p>New applicants – Where a supplier has confirmed any offences, they are required to provide an explanation and upload supporting documentation. The Accountants will then review the responses and make a decision as to whether to put the supplier on Consult</p> <p>Renewals - Monitored by Experian and reported to Accountants daily.</p>

Health and Safety

All suppliers, regardless of their size, must provide evidence of having health and safety management systems in place to show that they comply with relevant legislation and regulations, such as the Health and Safety at Work Act and the Construction (Design and Management) regulations. We ensure suppliers can demonstrate to buyers that they have an understanding of health and safety and can demonstrate how it is handled within their business.

We request information regarding memberships, policies and procedures suppliers have in place and will require supporting documentation for these to be uploaded where applicable.

Details of valid SSIP health & safety accreditation (Acclaim Accreditation, CHAS, Safecontractor, etc) or an OHSAS 18001 certificate from a UKAS accredited certification body, can be submitted and a copy of the certificate uploaded. We will publish details on the Suppliers Constructionline profile for our buyers to view.

We offer a choice of a non-assessed health and safety questionnaire, or Acclaim Accreditation for any suppliers that do not have a valid SSIP health & safety accreditation, but require one. In the case of Acclaim accreditation our assessors will check that the required standards are met and will issue a certificate.

Details Submitted	Verification
<p>Fleet Operator Recognition Scheme (FORS): Level Certificate name Start/end date</p> <p>Health & Safety Exemption: Certificate name Start/end date</p>	<p>New Applicants: Check details on certificate and SSIP database. Check HSE website for details of ant live incidents.</p> <p>Renewals: Issue notifications when certificates are due to expire. Check details on new certificate. Expiry of any Health & Safety exemption licences would result in an “Updates required” status.</p>

Gold and Platinum Compulsory Questions

Collection of the following information is not mandated, but can be requested at the discretion of buyers requiring more information from all or some of their supply chain. The inclusion of these additional questions align with PAS91 and adhere to public regulations/EU procurement.

If suppliers complete any of these sections they will be notified of any information that subsequently requires updating, however this will not be reflected in their overall status.

Equal Opportunity and Diversity

For buyers who require that suppliers have proven they adhere to current legislation and have policies or processes that align with their requirements. We provide suppliers with a complete set of questions to demonstrate compliance with the relevant legislation and if applicable allow them to upload a copy of a signed and dated policy document as supporting evidence.

We will check all questions have been completed and that uploaded policy documents are signed and dated where applicable.

Environmental Management

Suppliers with a BS EN ISO 14001, a valid EMAS certificate, or a certificate from a UKAS accredited certification body can simply upload a copy of their accreditation. This will be checked upon receipt to ensure it is valid and in the name of the relevant company on the application. Otherwise, we suppliers will be invited to complete a set of questions to demonstrate compliance with the relevant legislation and if applicable attach a copy of a signed and dated policy document as supporting evidence.

We will check all questions have been completed and that uploaded policy documents are signed and dated where applicable.

Details Submitted	Verification
<p>Exemption certificates: BS EN ISO 14001, EMAS or UKAS accredited Certificates</p>	<p>New Applicants: Check details on certificate.</p> <p>Renewals: Issue notifications when certificate is due to expire.</p> <p>Check details on new certificate.</p> <p>Change the status of this section to “updates required” if details become out of date.</p>

Quality management

Suppliers can either answer the quality standards questionnaire, or provide details of a certificate from a UKAS accredited certification body.

We will check all questions have been fully answered and if an exemption certificate has been up-loaded ensure it is valid and in the name of the relevant company on the application.

Details Submitted	Verification
Quality Standards Questionnaire or Exemption certificates: UKAS accredited Certificate	New Applicants: Verify questionnaire or Check details on certificate. Renewals: Issue notifications when certificate is due to expire. Check details on new certificate. Change the status of this section to “updates required” if details become out of date.

Building Information Modelling

Suppliers can either answer the Building Information Modelling questionnaire, or provide a 3rd party certificate of compliance with PAS11922 from an organisation with a related UKAS accreditation.

We will check all questions have been fully answered and if an exemption certificate has been up-loaded ensure it is valid and in the name of the relevant company on the application.

Supplier Status

Suppliers receive a monthly statement detailing any information which is either due to expire or requires updating, this communication is proactive and designed to ensure suppliers have advanced notice of anything which might affect their status in the system and ensures Buyers have the best opportunity to select from a pool of verified suppliers. Only information and certificates submitted as part of the mandatory sections will result in a change in supplier status. The different supplier statuses and their meaning are detailed in the table below:

Status	Meaning
Unverified	The supplier is in the process of completing the forms but has not yet submitted them to Constructionline for verification. This status is applicable to new applications and to existing suppliers who are updating their profile. Suppliers will appear in company name searches only.
Awaiting verification	The supplier has completed the mandatory forms (plus any non-mandatory forms), submitted them and Constructionline are in the process of verifying the information. This status is applicable to new applications and to existing suppliers who are updating their profile. Suppliers will appear in all searches.

Supplier Status

Status	Meaning
Verified	<p>Constructionline have verified the information submitted and all of the supplier's details are up to date (i.e. they have not expired):</p> <ul style="list-style-type: none"> • Financial assessment has been successfully completed • References have been entered against at least one work category • Notations have been calculated against at least one work category • Health & Safety assessment successfully completed • Acclaim awaiting assessment (where selected). <p>Suppliers will appear in all searches.</p>
Update(s) Required	<p>A supplier that was previously Verified, has one or more forms or documents that have expired and need updating.</p> <p>Following the updating of the forms and their successful verification the supplier will return to a status of 'Verified'</p> <p>Suppliers will appear in all searches.</p>
Inactive	<p>This status is applied if the supplier goes into liquidation or specifically asks (for whatever reason) to be removed from the CL register.</p> <p>Where a previously verified supplier, on a Buyers list, becomes Inactive then the buyer will receive an email and system notification telling them of the change in status and the reason that they have become Inactive. The Inactive supplier will remain on the suppliers list but with a status of Inactive.</p> <p>Suppliers will no longer appear in any searches.</p>
Free trial	<p>The supplier has opted for, and completed, the sign-up process for the 'Free trial' Or if a supplier has not paid their renewal fee their status will be downgraded to Free until their invoice is paid.</p> <p>Constructionline will not verify any updates.</p> <p>Suppliers will appear in company name searches only.</p>

Communications History

Constructionline will email a daily summary notifying buyers of any status changes to suppliers included in any buyers lists. This can be accessed in the Communications section in the Buyer portal.

Integration

A number of options are available to support full or partial integration between Constructionline and in-house systems (these are offered free of charge to customers providing a mandate to their supplychain):

- Webservices
- Single Sign on (SSO)

Third-party Interfaces

Constructionline supports interfaces with a number of third-party commercial procurement solutions including, but not limited to the following (contact Constructionline for an up to date list of supported third-party solutions):

- Coins
- Causeway
- Bravo Solutions