

Notation Calculation

For Suppliers



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

Our unique notation formula has been developed over a number of years, by key Buyers, industry leaders and government bodies. The formula looks at a Supplier’s financial ability and established track record for successfully delivering contracts in each work category to a certain value.

The notation guide is calculated as the lowest of three calculations, that bring together the last reported annual turnover, net assets, and the average value of references obtained. It is based on the original criteria as 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

Provisional notation, Finance and Reference Factors averaged	=975,000	=	487,500
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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

} Lowest of these three figures

* 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 Supplier must supply a minimum of two satisfactory references for each sector/discipline of work. Those references must be for work completed within the last four years and need to include a value for the work completed. If the reference contains more than one element, the references need to have the financial values broken down.