Notation Calculation

For Consultants

Constructionline

Constructionline gives all Consultants 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 Consultant's financial ability and established track record for successfully delivering contracts in each work category to a certain value.

The notation value is calculated as the lowest of three calculations (or Caps), that bring together the last reported annual turnover, current net assets, and the average value of contract value provided. It is based on the original criteria as agreed with Buyer and Supplier working groups.

Please Note: that the contract value cannot exceed 75% of your current turnover.

Please be aware that you may need to provide a reference to support the value entered

Example

Finance Factor

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

Contract Value Factor (fee paid for the selected category)

Contract Value	200,000		
{multiplied by Category coefficient *}	2	=	400,000

**Provisional Notation Cap (average of the Finance Factor and Contract Value Factor)**

Finance Factor	575,000	
{plus}		
Contractor Value Factor	400,000	
{divided by 2}		= 487,500

Turnover Cap (75% of Turnover)

Turnover	1,200,000	
{multiplied by 0.75}		= 900,000

Contract Value Cap (125% of Contract Value Factor)

Contract Value Factor	400,000	
{multiplied by 1.25}		= 500,000

Notation is set to £1.00 below the lowest cap
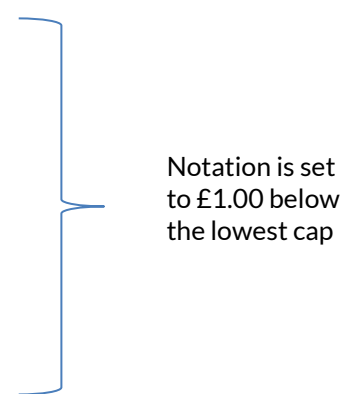
* In recognition of the variation in the frequency of work and likely contract values, a contract factor is allocated to each category which enables different specialisms to be compared on a like-for-like basis. The highest multiple is 3 and will change according to product and service.