

APPENDIX 6

GUIDE TO INTER-TRADING

This document is appendix 6 to the Association Constitution however for obvious confidential reasons it is displayed within our website under the 'Members Only' section

1. The Association encourages that when ever possible that member companies inter-trade with other member companies, who in turn should not further sub-contract without the consent of the originating company.
2. The Association recognises the requirements of ISO 9001 in that when a member who is Third Party Accredited (The Client Member) sub-contracts works it should wherever possible be to another member who is also either ISO 9001 accredited or in the process of obtaining such accreditation.
3. The Association in compliance with the Constitution offer the following guidelines to Inter-Trading between members in order to achieve fair and honest trading between member companies. It recognises and endorses the following as being best practise with regards to inter-trading.
 - a) That all inter-trading between member companies is based on mutual respect and that all business is conducted on an honest and ethical basis.
 - b) That all inter-member invoices should be paid within 30 days of receipt or within those terms agreed between the members concerned (It is advised that if terms beyond the normal business practice of 30 days are agreed that this should be recorded in writing)
4. The Association recognises that prices are a matter of negotiation between the 'Client Member' and the Sub-Contracting Member. However the Association offers the following guidance as to that which is considered to be fair practise.
 - a) That prices agreed should be reasonable and established in advance of any works commencing.
 - b) That the sub-contractor member should reasonable expect to receive a minimum of 80% of the net value of the service element of the invoice raised by the client member to their end-user (This being for the physical works carried out e.g. minimum call fee, call-out fee and any addition charges per unit)

Example: *Client Members invoice to end-user for service element = £40.00 + vat*
Sub-Contracting Member would invoice Client Member £32.00 + vat
 - c) With regards to the supply of Parts and Equipment the minimum level that the sub-contracting member should expect is a 50% share of the profit element of the client members invoice to the end-user

Example: *1 x 9lt Water Extinguisher supplied - Client Members charge to end-user £60 + vat. Cost of unit £19.00 thus a profit of £41.00*
50/50 split = £20.50p each
Thus the sub-contractor would invoice client member £39.50p for this item
5. The Association recognises that prices which members purchase equipment and parts from manufactures can vary. For the purpose of inter-trading when agreement is difficult, the levels of pricing will be the average of the published trade price lists from three of the following Express Fire, Thomas Glover, Gloria, Saffire and Amerex. These prices will exclude special or promotional offers.
6. Should the 'Client Member' wish to supply equipment or parts to the 'Sub-Contracting Member' for supply (or installation) to the end-user or direct to the end-user as a direct result of works or recommendations by the sub-contracting member a 50/50 share of profits should still take place. The 'Sub-Contracting Member' may also in the event of being requested to return to an end-user to install equipment which has been sent direct by the 'Client Member' reasonable expect to also be remunerated for the time & travel elements involved.
7. The Association recognises the special problems involved in large rural area's of the United Kingdom and as such a sub-contracting member who is requested to undertake works which entail excessive mileage, should reasonable expect allowance to be made in the pricing of such works.