

## **BUSINESS GUIDELINE 9 GB**

### **PAINTING, PACKING AND TRANSPORT**

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## 1. Introduction

This guide-line deals with the extra which arise if the customer's specification for painting, packing and transport varies from the supplier's standard specification, against which his basic price is calculated.

The extra costs are based on the assumption that the supplier's standard specification is as follows:

- **Painting**  
Paint is applied to a commercially clean component and shall consist of more than one coat of primer and one top coat of the company's standard finish.
- **Protective Coating**  
Exposed machine surfaces are given a light protective coating.  
Additional corrosion protection and conservation of packing good should be decided under certain circumstances.  
This can be necessary for transport or in cases of long term storage, when effects may arise of for example:
  - Rain
  - Sea-water
  - High temperature
  - High or low environmental temperature and/or temperature variations
  - Chemical influences
- **Packing**  
Packing is limited to that which is reasonably necessary to prevent damage in transit. The packing is not returnable.  
There is a ratified EU-directive (94/62/EG) concerning packing, which is mandatory for all European memberstates.  
Materials used for Packing must be re-usable or recycable. These regulations have to be observed, when packed goods are intended for delivery to the mentioned countries.  
The type of packing must be decided on the basis of the individual requirements of the packing good, of the transport routes and of the means of transportation.
- **Transport**  
The basic price is an ex-works' price and all transport costs, including insurance, are considered as an extra.
- **Marking of Packing**  
The pictorial marking of handling of goods shall be in accordance with the international standard ISO 780-edition 1997, in order to be understandable for everybody in the various countries.  
The use of international agreed graphical symbols reduces doubtless loss and damage through incorrect handling.

## 2. Principles for calculation extras

When calculating the „extra“ price for deviation from the standard conditions of supply, three elements should be taken into account:

- Direct costs  
The cost of additional materials, labour and overhead and any subcontractor's price for the work involved.
- Administrative costs  
The additional administrative costs involved in processing the customer's non-standard order to cover such things as preparation of special instructions of the works, raising additional orders on suppliers.
- Cost of disruption  
It may be necessary to allow something extra in the price because the work to meet non-standard conditions for supply will interfere with the normal production flow. Allowance may also have to be made for the loss of standard output because of the nature of the special order including delays imposed by special inspections or necessary working conditions.

## 3. Checklist

The standard procedure should estimate for the additional work involved to meet the customer's special conditions. The following checklist will help in finalizing charges.

### 3.1 Painting

Customer's specified paint:

- may not be compatible with standard under-coat used.
- may not be heat-resistant and therefore unsuitable for certain applications.
- may require multiple coat application, possibly with rubbing down between coats.
- may require letting down with special thinner.
- may require not be suitable for the normal method of application.
- may require special pre-treatment before painting (e.g. shot-blasting, pickling).
- may have to be bought in large quantities than required for order, with consequent waste.
- may require special working conditions.

### 3.2 Protective Coating

Specified protective treatment may require:

- partial or complete strip down of unit after test.
- special instructions to the customer for removal of protection before re-assembly.
- process not normally employed in the works.
- special assembly instructions if despatched in a knocked-down condition.
- may require special working conditions.

### 3.3 Packing

The manufacturer's standard packing should be sufficiently defined in the specification so that if the customer requires special packing the extra can be assessed.

### 3.4 Transport

If transport costs are assessed on a standard rate per the unit of weight or volume, then it is important to take account of the surcharges which may arise for exceptional loads: For weights over a certain limit there may be a heavy lift surcharge and a further surcharge may be applied for low loader transport. Abnormal loads may be affected by legislation imposed by the Road Transport Authority requiring special routes, police escorts, or other restrictions, which can add considerably to the costs.

It may be necessary to knock-down large assemblies into smaller parts, to suit available transport or to match lifting facilities on site, and special instructions or site labour may have to be provided for re-assembly.

If air-freight is required, all additional costs should be passed on to customer.

### 3.5 Insurance

All quotations should define responsibility for insurance in transit and the point when customer takes possession of goods. Costs incurred by the supplier should be passed on to customer.