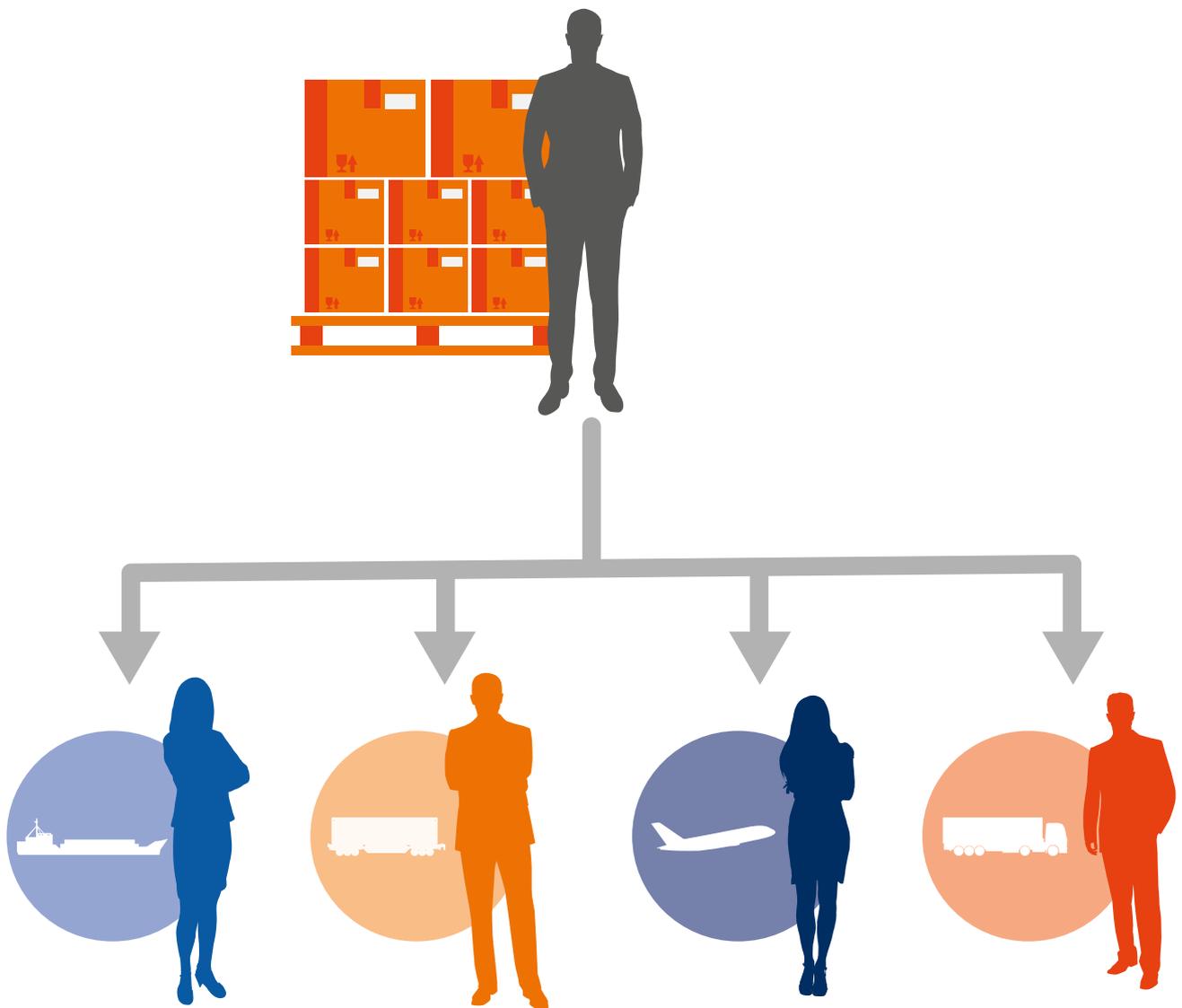


A Guide to Sub-Contracting



Good Practice Codes have become commonplace in the forwarding industry, often introduced as part of quality assurance operating procedures for the qualification of sub-contractors. They have relevance to liability insurance and standard trading conditions. In order to introduce conformity, and having regard to BIFA's Standard Trading Conditions, this guide has been drafted for use by Members of the Association in terms of what you should think about including in a contract with a sub-contractor.

1 Vehicles and equipment used by the sub-contractor should comply fully with all relevant regulations relating to the carriage of goods, in particular the Road Traffic Act. Vehicles and equipment therefore must be fit for their intended use.

2 All sub-contractor employees should be fully trained and competent to undertake their work in a safe and proper manner.

3 The sub-contractor should only undertake work on your behalf which you have confirmed in writing by fax, email, other non-paper-based electronic communication, or approved consignment note, collection or delivery order. Evidence of contract completion should be required to be signed: for example, collection / delivery / interchange note or appropriate document of carriage or consignment, to be supplied on request.

4 The sub-contractor shall maintain a direct liaison with the organisation from where instructions were issued and should report on all delays in transit or loading and unloading, and also report on all complaints, problems or comments that may be received from your customer.

5 When making a collection or delivery of goods, the sub-contractor's driver should ensure that the condition of the goods and their number are correctly noted and signed for accordingly. Where appropriate, seal numbers on transport units should also be recorded. The sub-contractor should be required to undertake to notify you of any discrepancies without delay.

6 The sub-contractor should agree with you that they will deal with claims without undue delay.

7 The sub-contractor should be required to confirm in writing that insurance claims will be dealt with in accordance with the same liability regime as demanded from you by your customer.



Vehicles and equipment used by the sub-contractor should comply fully with all relevant regulations.

8 The sub-contractor should be required to confirm that its legal liability for the services it performs is adequately and properly insured to the limits of its liability and its own policy terms.

9 Where the sub-contractor is required by you to provide Customs clearance services you should ensure that they should:

- 9.1. only act upon information received in writing from your officers or overseas agents, and advise you of any irregularities or discrepancies in the information and documentation received relative to your business
- 9.2. indemnify you against all fines that HM Revenue & Customs (HMRC) may level against the principal which are the fault of the company
- 9.3. if you authorise named persons employed by the sub-contractor to make declarations on your behalf, and to commit you to make payments to HMRC through your duty deferment bond, the sub-contractor should indemnify you against any financial loss incurred by you following any wrongful act of the named persons. The sub-contractor should be required to immediately advise you when any named person leaves the employ of the company
- 9.4. unless otherwise agreed in writing, act only in the capacity of a direct representative when declaring goods to HMRC.

Where the sub-contractor is required by you to provide Customs clearance services you should ensure that they only act upon information received in writing from your officers.



These are only guidelines and there may be other areas which you wish the sub-contractor to deal in. For example if you engage in 'International Carriage of Goods by Road' (CMR) work and want the sub-contractor to deal with the domestic leg only you must be careful to ensure that you require him to agree to operate pursuant to CMR terms by private agreement and not accept his own domestic conditions to apply.

The Association always advises Members to consult experienced solicitors before entering into contracts to ensure adequate legal protection is in place.