

AECINEWS

Christmas Edition

President's Message

DEAR MEMBER,

IT WOULD APPEAR THE CELTIC TIGER ERA IS COMING TO AN END AND THE AECI ARE FULLY AWARE THAT OUR MEMBERS ARE FACING GREATER CHALLENGES.

THE LABOUR RATES AND COSTING SEMINARS WHICH WE RAN DURING THE PAST FEW WEEKS WERE HIGHLY SUCCESSFUL AND I WOULD STRONGLY RECOMMEND THAT YOU AVAIL OF FURTHER MODULES WHICH WE INTEND TO RUN FOR THE COMING YEAR.

WE ALSO INTEND TO FURTHER OUR AIM TO REDUCE INSURANCE COSTS AND HOLD LECTURES ON THE FOLLOWING ISSUES, I.E. HAND TOOLS AND LADDER SAFETY, ESTIMATING ETC.,

FOR THE NEW YEAR YOU WILL FIND OUR NEW WEBSITE WILL CONTAIN INFORMATION REGARDING FAS TRAINING, PROGRESS OF E-PACE AND INFORMATION ON OUR ANNUAL CONFERENCE WHICH IS BEEN HELD IN KILLARNEY ON THE 28TH TO 30TH MAY, 2004. A LOT OF INTEREST HAS ALREADY BEEN SHOWN IN THIS WEEKEND, SO EARLY BOOKING WOULD BE VERY ADVISABLE. WE HOPE TO REINTRODUCE OUR TRADE SHOW FOR THE KILLARNEY WEEKEND AND AT OUR NEXT MEETING, WE WILL BE SETTING OUR DATE FOR OUR AGM. OUR WEBSITE WILL ALSO PROVIDE INFORMATION ON DATES AND VENUES FOR LECTURES IN THE NEW YEAR.

ON BEHALF OF MYSELF AS PRESIDENT, THE OFFICERS AND COUNCIL MEMBERS, I WOULD LIKE TO TAKE THIS OPPORTUNITY OF WISHING ALL OUR MEMBERS A PEACEFUL AND HAPPY CHRISTMAS AND A PROSPEROUS NEW YEAR.

JACK HEGARTY,
PRESIDENT
AECI.



CHRISTMAS HOLIDAYS 2003

| | | |
|-------|--------|--------|
| WED | 24-Dec | ANNUAL |
| THURS | 25-Dec | PUBLIC |
| FRI | 26-Dec | PUBLIC |
| MON | 29-Dec | ANNUAL |
| TUES | 30-Dec | ANNUAL |
| WED | 31-Dec | ANNUAL |
| THURS | 01-Jan | PUBLIC |
| FRI | 02-Jan | ANNUAL |

CONGRATULATIONS!

to William Farrell Ltd. who won our €50 conference voucher for taking part in our membership questionnaire.

SPONSORING THE NEWSLETTER

Would you like to advertise your company's services or do you know someone who would? We are looking for sponsors for our newsletter at very reasonable rates. Interested? Please contact the office for more information. Rates:

| | | |
|----------|---|------|
| 1 issue | = | €300 |
| 2 issues | = | €500 |

ASSOCIATION OF ELECTRICAL CONTRACTORS (IRELAND)



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The following are the main topics of discussion taking place between this Association the E.C.A. and the T.E.E.U.

Agreement Review

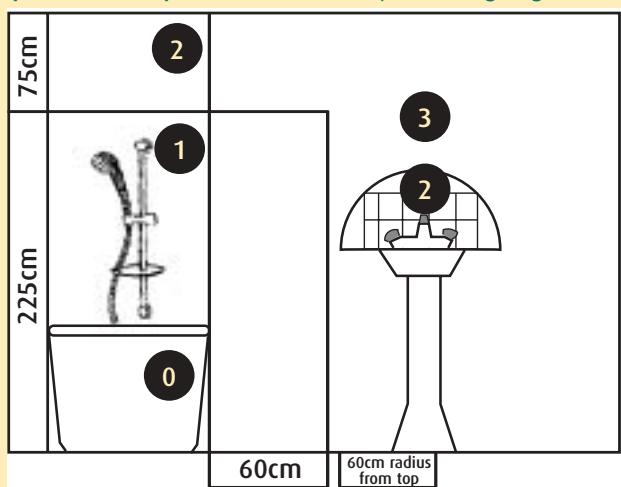
Discussions are now entering their final phase under the chairmanship of Mr Kieran Foley of the Labour Relations Council. The entire Agreement has been the subject of discussion over the past number of months reaching little or no agreement between the requests of the Union and the ability of us employers to concede any ground particularly items that would have a cost escalating feature associated with them.

Annual Analogue Agreement

The 16 Companies who are to be utilised in this years Analogue to measure the relative rise in electricians pay rates throughout industry have been identified though not fully agreed. Discussions commenced last month and will be due for conclusion in early January for implementation in April next. The possible increase forecast is of the order of 4% which looks like the agreement is coming close to payments made under the terms of the P.P.F. It is intended to keep our members up to date on the ongoing discussions but it would be of benefit to the negotiators if we could have comment from you the members as to your opinion on wage matters. All letters will be treated in strict confidence.

Guide to Domestic Bathroom Lighting Regulations

Please Note: This is a guide to domestic situations. For non-domestic situations or if you are in doubt, we recommend that you consult a qualified electrician. (IEEE Wiring Regulations 16th Edition (Amd. 3) Effective 1.1.2002)



ZONE KEY

- 0 All light fittings in Zone 0 must be watertight and be 12 volts or less (IP67 or IPX7).
- 1 All light fittings in Zone 1 must be splash proof (IP44 or IPX4).
- 2 All light fittings in Zone 2 must be splash proof (IP44 or IPX4).
- 3 All light fittings in Zone 3 have no special requirements.

eP.A.C.E

There has been much discussion taking place within the industry regarding the emergence of e P.A.C.E. This is particularly so since e.P.A.C.E. corresponded with every Electrical Contractor registered in the State seeking declaration of their compliance or otherwise. For the purpose of clarification e P.A.C.E. was established on the instruction of the labour Court to ensure compliance by all contractors with the Registered Employment Agreement (relating to Pay & Conditions including Pension)

The Rates and Conditions negotiated within the industry registered with the Labour Court under the E.N.J.I.C. Agreement and have legal standing in the event of any dispute between employees and Trade Unions. In a recent case where the issue was contested the matter was referred for legal opinion and the parties were advised that they did in fact have to comply with the Labour Law of the State. Should you have any queries on the above contact the office for advice.



Allocating Health & Safety Core Responsibilities

A small ten-person business might not need the detailed responsibility allocation of a large company, it should still allocate specific personal responsibilities for core tasks:

Ensure that someone has responsibility for:

1. Making employees aware of the safety statement and how it applies to them;
2. Ensuring that subordinates are discharging their safety responsibilities properly;
3. Receiving information from staff about dangers and giving information about hazards of the business;
4. Investigating, recording and reporting injuries, ill health and certain dangerous occurrences to the HAS and PSCS when necessary (the designated responsible person under Part X of SHAWAWR);
5. Confirming mechanical and electrical safety, even if these are done by contractors. This is particularly important for plants that must be certified by a competent person on a periodic basis;
6. Fire safety, including drills, alarm checks, extinguishers, emergency fighting and other fire-fighting equipment;
7. First aid provisions, such as training first-aiders and ensuring there are adequate contents in the first aid boxes;
8. Ensuring that staff are given adequate instruction, information and training to perform their job safely and are aware of the site safety and health plan;
9. Carrying out an adequate general risk assessment of the work-place or site, with more specific detailed risk assessments if required.
10. Ensuring that all work is done in accordance with the Safety, Health and Welfare at Work (Construction) regulations 2001 (CONSTR)

Employee Responsibilities

Employees' legal responsibilities (under Sections 9 of the SHAWAWA) are to:

1. Take reasonable care of their own safety and health and that of others who may be affected by their actions;
2. Co-operate with management to meet the employer's legal duties;
3. Use any device or protective equipment or other dangers immediately, or as soon as it is safe to do so;
4. Report to management any defects in equipment or other dangers immediately, or as soon as it is safe to do so;
5. Not to intentionally or recklessly interfere with or misuse anything provided in the interest of health, safety or welfare.

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New E.T.C.I. Publication

E.T.C.I. have recently introduced the National rules for Inspection & Certification of Existing Electrical Installations for Reconnection to the Distribution System. The implementation date for these Rules is 1st January 2004. Certificates associated with this publication will be available from the electrical contracting regulatory organisations during December next.

Contractor Issue

Contractors should respect other contractors, before getting involved on a site where another contractor is already working or at least have the courtesy to contact the original contractor first and ascertain why there is a conflict.

Do you have a friend or work colleague who may wish to receive information on AEI Membership, if you do please fax or post to: AEI, McKinley House, 16 Main Street, Blackrock, Co. Dublin. Fax: 01 288 5870

AVOIDING THE LEGAL PITFALLS

In an Interview with Vanessa Byrne of Mason Hayes Curran about the pitfalls for construction and other companies when it comes to contracts.

In every case we examine below, we have assumed that a relationship is potentially in crisis because that is what contracts are there to safeguard – good fences make good neighbours, as Robert Frost told us.

“The problem is that a lot of people use the generic RIAI form or other industry standard without adapting it to their specific needs. When that happens there may be lacunae which will leave all parties in a grey area. (When) can the developer sack a subcontractor? (What) does he have to pay the subcontractor if that happens? If an employer has a falling out with a subcontractor who has left goods on the site, can they be held until the dispute is resolved?”

“The terms of the letter appointment or contract need to lay out these matters as well as deciding in advance who will arbitrate a dispute if there is a dispute. What notice will be binding if either party decides to give it? Obviously, notice needs to be given in writing if an employer feels a relationship is breaking down. In ordinary circumstances that would include a grace period for a subcontractor to correct whatever it is the employer has issue with. This is to prevent anyone from terminating contracts capriciously.”

A watertight contract safeguards a relationship: good fences make good neighbours, as Robert Frost told us.

Another area of legality which can be unwisely left to the last minute is Professional Indemnity cover and certain deals have foundered on the inability to raise a sufficient level of professional indemnity cover.

“In 99.9% of transactions there is a bank involved which brings a third party in to the contract. Banks have rigid ideas about what constitutes security. Professional Indemnity cover of €250,000 will not be considered adequate for a project with a budget of €10 million,” says Byrne.

“The bank will want to see that the contract or the letter of appointment specifies a certain level of professional indemnity and that there is evidence that that is in place.

One of the main issues is that the employer engages various consultants and contractors and there is then no governing of the employer’s relationship with the subcontractor.

Collateral warranties exist to create a relationship with a third party. (A) sub-contractor furnishes a collateral warrant to an employer. That collateral warrant imitates the original contract which (exists) between the contractor and the () employer. The party which is providing funding for the contract will also (want) collateral warranty in their favour with parties; architects, engineers, quant... surveyors, and sub-contractors.

Quite often these are not considered until it is too late and the impact of the breakdown in relationships are that more damaging. Who is obligated to who and what can be retrieved from the situation is unclear.”

Another issue which is sometimes unclear and can rebound negatively to the developer is the copyright of drawings. The design responsibility is usually that of the engineers or the architects but again if there is a problem, the employer may find that they have spent a great deal of time and money on designs and specifications on plans which they have no license to use. This can lead to huge waste simply because the issues were not cleared up in advance and people have presumed that a project (w) proceed smoothly.

The Four Seasons Hotel project in Dublin was an example of a project which was dogged by difficulties, also revealed weaknesses in the original contracts, much to the dismay of several parties involved. The Sunday Business Post reported at the time that a company called Marlast had first call on assets at the Ballsbridge hotel which shocked some of the bankers involved in the project. That this could be the case suggested that agreements between financiers and developers were ambiguous of left loopholes for other parties to be involved without the knowledge of key investors. (The) Bank of Scotland was taking legal action against ACC Bank for what it perceived as negligence of its responsibilities of the management of the finances of the project.

Vanessa Byrne points out: “Construction litigation is something everyone wants to avoid because there are never any winners. The legal costs can exceed the value of a development.”

Unfortunately there are more than enough cautionary tales to remind us that where legal matters are concerned, a little attention at the outset could save a lot of wasteful wrangling later on.

(This Article appeared in the Irish Construction Industry Magazine)

