

THE NEW
GRAPHIC
COMMUNICATIONS

TRADE
CUSTOMS

AND

BUSINESS
PRACTICES

SPONSORED BY

*Graphic Arts Technical Foundation
National Association of Printers and Lithographers
Printing Industries of America*

\$ 19.00

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WHAT ARE "TRADE CUSTOMS" ?

Graphic Communications Trade Customs and Business Practices have been in general use in the industry throughout the United States and Canada for more than seventy years. These trade customs and business practices were formally promulgated at the annual convention of the United Typothetae of America in 1922. They were revised and updated in 1945 and 1974, and were updated and adopted by the Graphic Arts Council of North America in 1985. A consortium of the Graphic Arts Technical Foundation (GATF), National Association of Printers and Lithographers (NAPL), and Printing Industries of America (PIA) revised them in 1994.

The Printing Industry Trade Customs presented in this document describe the common business practices of the printing industry. However, Trade Customs are not necessarily "recommended" practices. Some graphic arts providers may choose to follow them; others may not. The use of any Trade Customs must always be an independent, individual business decision. As each company drafts its own contractual provisions, it will also want to consider customers' wishes, relationships with potential customers, and other competitive issues.

It is important to note that Trade Customs concerning rates, payment terms, and warranties may be subject to modification. For more information, please contact any of the sponsoring organizations listed on the inside back cover of this publication.

George Webster

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F O R E W O R D

The graphic communications industry is one of the oldest manufacturing industries in the world. The Trade Customs that have guided it over the centuries had their beginnings in the rigid rules imposed on the guilds as early as the Renaissance. Modern-day technology, however, has revolutionized our industry, and in the process has presented us with a host of unanswered questions concerning such issues as ownership, storage, responsibility and liability. This, coupled with new laws, risks and terms that had never been adequately addressed, made it clear that the rule book needed to be rewritten.

Accordingly, three major graphic arts associations—the Graphic Arts Technical Foundation (GATF), the National Association of Printers and Lithographers (NAPL), and the Printing Industries of America (PIA)—joined forces to sponsor the creation of the *new* Graphic Communications Trade Customs and Business Practices that are presented in the following pages.

A task of this size and complexity could be accomplished only with the hard work and dedication of literally dozens of individuals and organizations across the country, as well as the industry members who responded to our survey in regard to their problems, concerns, and current business practices.

On behalf of GATF, NAPL, and PIA, heartfelt thanks and gratitude are extended to the following: the graphic industry members who served on the Reevaluation of the Graphic Communications Trade Customs Business Practices steering committee, the GATF, NAPL, and PIA representatives who served on the ad hoc committee, the more than 40 other graphic arts trade associations across the country, which contributed to the total effort and helped distribute the survey questionnaire to more than 250,000 industry members. Special thanks go to our friends at the trade journals: *Graphic Arts Monthly*; *Southern Graphics*; *Print Reporter Mid-West*, *Print Reporter South*; *Craftsmen Club Journal*; and *Print and Graphics*, who distributed the survey to their subscribers.

We appreciate the helpful suggestions and many other contributions of: Association for the Development of Electronic Publishing Technique, Association of Graphic Arts, Binding Industry of America, Graphic Communications Association, Gorelick & Associates, International Association of Printing House Craftsmen, International Business Forms Industry, International Prepress Association, Mail Advertising Service Association International, PIA of Southern California, Printing Industry of the Gulf Coast, PIA Web Offset and Scitex Graphic Arts Users Association, Inc.

Special recognition and thanks go to the Printing Industry of Illinois/Indiana Association (PII) for permission to excerpt material for this book from Terms And Conditions of Sale For The Graphic Arts, published by PII for its members. Through the generosity of PII, many people throughout the industry will benefit from this intelligent and incisive work.

Finally, for donating the materials used to produce the survey questionnaire and this book, we extend our thanks to International Paper Coated Papers Division; Williamson Printing Corporation; Sun Chemical Corporation, General Printing Ink Division; 3-M Corporation; Flint Ink; and Van Son Holland Ink Corporation.

All Graphic communications providers are encouraged to use this Book in developing terms and conditions of sale, agreements and contracts for services and products. Your attorney should help you prepare your terms and conditions of sale. Creating a better way to communicate with your customers will pay dividends in the future.

Bill Treadaway

Project Coordinator

Bill Treadaway retired in 1994, after a 45 year career in the graphic arts industry. He was president of the Printing Industry of the Carolinas (PICA) from 1963-1994. Mr. Treadaway has been inducted in the NAPL Soderstrum Society, and is the recipient of the Master Printers of America Award for Distinguished Service. In May 1994, the Graphic Communications Department and School of Industrial Education of Clemson University recognized his continuing contributions to industry education at its annual awards program.

CONTENTS

Chapter	Title	Page
One	Quotations/Estimates	1
Two	Orders	4
Three	Experimental Work	7
Four	Creative Work	10
Five	Accuracy of Specifications	12
Six	Preparatory Materials	15
Seven	Electronic Media/Images	17
Eight	Alterations/Corrections	21
Nine	Prepress Proofs	24
Ten	Press Proofs	27
Eleven	Color Proofing	29
Twelve	Overruns/Underruns	31
Thirteen	Customer's Property	33
Fourteen	Delivery	35
Fifteen	Production Schedules	38
Sixteen	Customer-Furnished Materials	41
Seventeen	Outside Purchases	43
Eighteen	Terms/Claims/Liens	45
Nineteen	Liability	48
Twenty	Indemnification	50
Twenty-One	Storage	52
Twenty-Two	Taxes	54
Twenty-Three	Telecommunications	56

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Quotations/ Estimates

The working relationship between the graphic arts provider (the “provider”) and its customers begins with the quotation or estimate. The success of the project, as well as the future of the relationship, hinges on the delivery of a high-quality job, on time and within budget. To ensure that project objectives are achieved, the two must accurately communicate all project specifications and terms of the agreement, which must be spelled out in the quotation or estimate.

1 QUOTATIONS/ESTIMATES

Definition. A firm statement of price for which specified work will be performed, subject to credit approval.

Trade Custom. A quotation not accepted within 30 days may be changed.

A specified time period during which a quotation or estimate is valid protects the provider from rising material costs or seasonal workload requirements. Individual providers may not want the 30-day acceptance period, preferring either a shorter or longer period. Others may not want the quotation to be subject to review, preferring that it not be binding.

POSSIBLE ALTERNATIVES

1. A quotation/estimate not accepted within ___ days is subject to review.
2. A quotation/estimate not accepted within ___ days is no longer binding.
3. A quotation/estimate not accepted within ___ days is subject to increase or decrease based on any increase or decrease in the cost of labor and materials at the time of acceptance.
4. Charges for work may be job quotation, hourly rate, or unit price at the discretion of the provider and will be billed as work is completed. Charges are considered accepted and due unless contested in writing within 10 days of receipt of invoice.

The Quotation. The quotation or estimate marks the beginning of a project. While variables and requirements often change before an order is actually placed, the quotation is the first formal point of communication between provider and customer. It may also be the provider's only document among competitive bids. While

price may dictate the bottom line for the customer, it is meaningless unless terms, specifications, and materials are documented in writing. Because every variable, from stock, to size, to screens and separations, affects the bottom line, each variable must be accurately documented.

It is important that the customer compare apples to apples. Both provider and customer should review all job specifications. The following is a brief checklist:

1. Stock—product name, color, and weight
2. Size—flat and finished
3. Quantity
4. Number of inks—process or flat color, special mixes or metallics, one sided or two
5. Separations or halftones—film supplied, reflective or transparency
6. Screens—both line and built
7. Bleeds
8. Bindery—scoring, folding, perforations, die cuts, stitching or perfect binding
9. Artwork furnished—camera-ready mechanical art, disk specifications—special instructions, fonts used, program versions, trapping, etc.
10. Proofing required—loose or composite color, blueline, Color-Key™, Matchprint™, WaterProof®, etc.
11. Delivery—timing, packaging, shipping requirements
12. Overruns/underruns

The customer should review the quotation carefully to be certain that all variables are included and that specifications are accurate.

Orders

Orders are the "business of business"—and what keep the presses rolling and the bills paid. Once accepted, either verbally or in writing, orders set the production process in motion.

2 ORDERS

Definition. Verbal or written requests for specific products and/or services.

Trade Custom. Acceptance of orders is subject to credit approval and contingencies such as fire, water, strikes, theft, vandalism, acts of God, and other causes beyond the provider's control. Canceled orders require compensation for incurred costs and related obligations.

POSSIBLE ALTERNATIVES

1. Regularly entered orders, verbal or written, cannot be canceled.
2. Once entered, orders cannot be canceled except on terms that compensate the provider for actual loss.
3. Regularly entered orders, verbal or written, may be canceled only at the option of the provider and on terms that compensate the provider for any and all loss, including but not limited to costs, labor, and profits from lost opportunities for other work.
4. Acceptance of orders is subject to credit approval and contingencies such as fire, water, strikes, theft, vandalism, acts of God, and other causes beyond the provider's control. Orders will be canceled only upon compensation for work already started and related obligations.

Orders. Orders are the written or verbal approval to begin work on a project. When a quotation has been submitted, the order becomes the confirmation of the quotation. Space is often provided for the customer's signature (or written confirmation) on the quotation itself. When the confirmation is signed, it becomes a written order.

Even if a quotation is not required, terms, specifications, and mate-

rials (see the Chapter One checklist) should nonetheless be reviewed and confirmed in writing to avoid confusion later. If a quotation is submitted before an order is placed, the provider should review any variations, exclusions, or changes in the specifications, and notify the customer of the impact on price before continuing work, or as soon as a revised quotation can be prepared. Whenever possible, an amended quotation should be provided.

Graphic communications buyers must be aware that the provider has the right to be compensated for work or purchases made on the customer's behalf after an order has been placed.

Experimental Work

In custom or groundbreaking projects, the customer may require a prototype or preliminary proof for approval before actual production begins. Time and materials expended on the customer's behalf are referred to as "experimental work."

3 EXPERIMENTAL WORK

Definition. Work produced for customer review in expectation of an order and preliminary prototype versions of jobs that are created as production guides, including attempts to create unique production tools, layouts, style pages, dummies, or samples.

Trade Custom. Experimental or preliminary work performed at the customer's request will be charged to the customer at the provider's current rates. This work may not be used without the provider's written consent.

Providers are entitled to compensation for preliminary work, such as sketches, drawings, composition, plates, presswork, and materials, when it is performed at the customer's request.

POSSIBLE ALTERNATIVES

1. Experimental or preliminary work performed at the customer's request, such as sketches, drawings, composition, plates, presswork, and materials, will be charged to the customer at the provider's current rates and may not be used without the written consent of the provider, which may be withheld at the provider's sole discretion.
2. Experimental or preliminary work will be performed only at the customer's written request, and such sketches, drawings, composition, plates, presswork, and materials will be charged to the customer at the provider's current rates and will remain his sole property until compensation for work completed has been received.
3. Experimental work performed at the customer's request, such as sample type, layouts, style pages, dummies, or other special production tools, will be charged to the customer at prevailing rates. No use in whole or in part may be made of such production tools or prototypes without the express permission of the

provider and the payment of mutually agreed upon compensation to the provider.

Experimental Work. Under certain circumstances, it may be advantageous for the customer to commission experimental work from the provider rather than risk incurring the expense of making changes on press, or worse, after the job is delivered. In such cases, the provider may create prototypes for customer approval or engage in preliminary production work in custom projects. Experimental work can range from sketches or dummies to ink drawdowns and die guides.

The purpose of prototype work is to enhance communication and, ultimately, to reduce the risk of the unexpected. It may also help clarify variables and enable the provider to prepare a more accurate quotation.

Experimental work, unless expressly specified, is not included in the production quotation.

Because it is custom work, ownership belongs to the provider, and the customer may not use prototypes unless the provider is compensated for labor and materials.

Creative Work

In an effort to control the entire production process, providers have often found it advantageous to offer creative and mechanical artwork services to their customers. Today, electronic publishing, with its potential for a continuous link from concept through final production, has enabled the provider to bring even more design, layout, and composition in-house.

4 CREATIVE WORK

Definition. Any preliminary work provided at the customer's request for review before job entry.

Trade Custom. Sketches, copy, dummies, and all other creative work developed or furnished by the provider are the provider's exclusive property. The provider must give written approval for all use of this work and for any derivation of ideas from it.

Providers may wish to attach a listing of compensation rates for creative work undertaken at the customer's request.

POSSIBLE ALTERNATIVE

Sketches, copy, dummies, and all preparatory work created or furnished by the provider will remain the provider's exclusive property, and no use may be made of same nor may any ideas obtained therefrom be used except upon compensation based on current rates charged by the provider for these services.

Creative Work. When creative work is produced for the customer, ownership of that work remains the property of the provider, regardless of whether the final job is produced in-house. Ownership transfers to the customer when payment is received for time and materials.

Accuracy of Specifications

Whether customer input comes in the form of hand-written notes, typed copy, camera-ready art, or an electronic file, quotations are made based on the assumption that such input is received in reasonable condition, and that the job conforms to the customer's written specifications for the project.

5 ACCURACY OF SPECIFICATIONS

Definition. The verbal, handwritten, typewritten, digital, or printed words, images, data, designs, and instructions prepared by the customer for composition, image processing, and/or page imposition.

Trade Custom. Quotations are based on the accuracy of the specifications provided. The provider can requote a job at the time of submission if copy, film, tapes, disks, or other input materials do not conform to the information on which the original quotation was based.

Quotations are submitted with the assumption that the customer's specifications are accurate. Accuracy refers to materials, quantities, and complexity of the job, but it also assumes that the job will arrive in reasonable condition. For example, a quotation for composition may be based on a typed sample, but if, in fact, the actual input received is handwritten the customer will be charged for additional work. The same holds true for electronic files. Files must be received in reasonable condition.

POSSIBLE ALTERNATIVES

1. Quotations for all printing costs are developed based on the instructions or samples provided by the customer. Specifications that deviates from this standard is subject to quoting and pricing review by the provider at the time the project is submitted, unless otherwise specified in the quotation.
2. Specifications, instructions, copy, artwork and input that is incomplete or inaccurate or that is not prepared according to the provider's guidelines will be accepted at the provider's discretion. Costs incurred in making alterations to customer-supplied copy will be charged to the customer.

Customer input can come in many forms, and although the term “reasonable” leaves room for interpretation, the following are some guidelines for consideration.

Composition. For obvious reasons, the provider should avoid composing copy from handwritten notes. Quotations are based on time and materials, so keying copy from scrawled notes is not cost-effective. Couple these charges with double-time charges for proof-reading, and it is easy to convince the customer that it is in the customer’s own best interests to provide typed copy. In addition, there are computer programs on the market that scan and recognize typed characters, thus eliminating the need to rekey copy.

Mechanical Art. Camera-ready art is just that: artwork that is ready to enter the provider’s prep department without any other preparation. Overlays or keylines should be provided for built screens and color, windows should be provided for photographs, tissues should be clearly marked with printing instructions, and photos and artwork should be cropped and sized.

Electronic Files. When artwork is supplied on disk, it is important that the provider receive all accompanying files—including screen and printer fonts, imported Postscript® files, and the original art files in which they were created. Color screens should be separated on the disk as they will be printed—process separations for process printing and spot color for flat-color printing.

The names and editions of all software programs used should be noted, and separated laser prints should accompany the disk.

Film. Negatives or positives are provided either as scatter or composite film—loose or plate-ready. All proofs should be included, and the provider should make sure that film is output to its press requirements, paying attention to line screen and emulsion.

Preparatory Materials

From the time a job enters the provider's shop until it arrives on press, the materials received from the customer undergoes a series of changes to get it ready to go to press. Mechanical art and electronic files alike are converted to film, exposed on plates, and transferred to paper. As the customer's materials are processed, ownership is transferred to the provider.

6 PREPARATORY MATERIALS

Definition. Artwork, type, plates, negatives or positives, and other items prepared for the customer for use in the transaction.

Trade Custom. Artwork, type, plates, negatives, positives, tapes, disks, and all other items supplied by the provider remain the provider's exclusive property.

Providers may wish to include a storage policy in this clause.

POSSIBLE ALTERNATIVE

Artwork, type, plates, negatives, positives, and all other items supplied by the provider will remain the provider's exclusive property. Such items will be stored for ___ months and then disposed of unless the customer elects in writing to purchase them based on the company's current rates for labor and materials.

Preparatory Materials. When a job is prepared for press, its form is changed to adapt to the provider's equipment. Supplemental materials and special equipment may be required. Such materials remain the provider's property unless other arrangements are made. For example, the customer might request the return of all negatives. It is then up to the provider to accept the order with this provision.

Electronic Manuscripts/Images

The advent of electronic artwork opened an exciting new frontier but also presented graphic arts providers with new questions about ownership, storage, responsibility, and liability. The roles that were clearly defined when the customer was providing mechanical artwork have had to be redefined in light of less tangible, less traceable electronic information. To avoid confusion, it is imperative that both provider and customer requirements be clearly stated in the terms of the provider's quotation and/or contract.

7 ELECTRONIC MANUSCRIPTS/IMAGES

Definition. Media and/or images supplied by the customer on magnetic electronic media, such as a disk or tape, or transmitted via telecommunication and/or satellite.

Trade Custom. It is the customer's responsibility to maintain a copy of the original file. The provider is not responsible for accidental damage to media supplied by the customer or for the accuracy of furnished input or final input. Until digital input can be evaluated by the provider, no claims or promises are made about the provider's ability to work with jobs submitted in digital format, and no liability is assumed for problems that may arise. Any additional translating, editing, or programming needed to utilize customer-supplied files will be charged at prevailing rates.

Providers may wish to address the issue of compensation for the translation, transfer, and storage of electronic files.

POSSIBLE ALTERNATIVES

1. The provider is not responsible for accidental damage to supplied media or for the accuracy of furnished input or final output. The provider makes no representation of its ability to interface, read, or use disk input and assumes no liability therefor. Any additional translating, editing, or programming necessary to use customer-supplied electronic files will be charged at prevailing rates.
2. Any electronic media supplied by the customer or developed or copied by the provider in connection with the job (including tapes, disks, computer files, and/or computer-generated artwork) remaining in the possession of the provider after the job is completed will become the sole and exclusive property of the provider, to be used, stored, transferred to other systems, or dis-

posed of at the provider's sole or reasonable discretion, without regard to maintaining such media for the customer's subsequent and/or compatible use. However, the ownership of fonts on disks cannot be transferred to the provider, and must not be used for any other customer.

If the customer desires other specifications for the storage, use, ownership, or maintenance of such media, then the customer will propose such specifications in writing to the provider as an addition to this contract, which will become binding on the provider when properly executed, delivered, and attached to this contract. Unless otherwise specified, the provider will be paid for all labor, materials, and other costs and changes therefor at the provider's then-current rates.

Liability. Whenever the customer supplies artwork on an electronic file or magnetic media, such as a disk or tape, or transmits it to the provider via modem or satellite communication, the question of liability must be addressed.

Once the file is received, the provider would be wise—although not liable—to immediately create a copy file. This not only reduces the risk of loss or accidental damage, it also creates an electronic trail of the provider's edits and alterations.

The provider can offer no guarantee that customer's files will be able to interface, read, or use disk input. At the same time, it can assume no responsibility for the accuracy of furnished electronic input or final output of supplied computer-generated art.

Ownership. Ownership of electronic media shifts from customer to provider once the file is copied, translated, edited, or programmed to adapt to final film and plate output.

The provider often edits traps and screens or adapts files to suit its particular press equipment. All labor, materials, and other costs associated with such edits are billed at the provider's current rates and *may* or *may not* be included as part of the original quotation.

In addition, any customer alterations or subsequent changes to files or programming corrections to original files that are required to make files useable are billable as "author's alterations."

Any computer tapes or files remaining in the provider's possession

after the job is completed become the exclusive property of the provider. Such files may be used, stored, transferred to other systems, or disposed of at the provider's sole discretion, without regard to maintaining them for the customer's subsequent use, but must not be used for any other customer.

Storage. If the customer wishes to change the terms of the provider's contract in order to change the usage, ownership, maintenance, or storage requirements of electronic files, the customer must do so in writing, attaching the new specifications to the provider's contract. The new specifications become binding when the provider accepts the proposal and the job enters production. A storage or maintenance fee can be negotiated.

Loss or Damage. Even in cases where the provider assumes responsibility for storage, the provider must either be *protected from* or *compensated for* the risk of loss or damage.

In the event of actual loss or damage, a reasonable value should be placed on the provider's materials and original programming labor. This can most easily be done by showing a record of the related work required for the original sale.

Value is measured by the cost of replacing the provider's labor and materials. It does not include the cost of replacing the customer's original artwork or electronic file.

Alterations/ Corrections

The simplest way for providers to avoid the problems associated with charging for unforeseen, customer-required alterations or corrections after a job is delivered is to specify completely and accurately in the quotation the basic fees and exact services to be provided before work is begun. Alterations should be requested as soon as they occur. A signed change order is the most effective way of getting customer approval for charges incurred by alterations or corrections.

8 ALTERATIONS/CORRECTIONS

Definition. Any additions or changes made by the customer to text, data, or style specifications originally submitted. Also called author's alterations, or AAs.

Trade Custom. Customer alterations include all work performed in addition to the original specifications. All such work will be charged at the provider's current rates.

In addition to compensation for alterations, providers may wish to address the question of overtime.

POSSIBLE ALTERNATIVES

1. Alterations are work performed in addition to the original specifications. Such additional work will be charged for at the provider's current rates and will be documented on request.
2. Alterations are worked performed in addition to the original specifications. Such additional work will be charged for at the provider's current rates for labor and materials.
3. Unless otherwise agreed to in writing, all required overtime will be charged for at the provider's prevailing overtime rate.

Authors Alterations. More relationships are soured by misunderstandings over the cost of alterations than over the actual cost of a job. It is for this reason that communication of exact job specifications is so important.

When the customer has a clear understanding of what costs are covered in the quotation, the customer is less likely to be surprised by charges resulting from additions, alterations, or changes in quantity, specifications, or materials.

NOTE: It is important for the customer to ask at the initial review

of artwork if there are variances in specifications from the original quotation. At the same time, it is better for the provider to notify the customer when requests fall outside the original agreement as they arise, rather than after the job is delivered.

Overtime. Jobs should be quoted with an understanding of delivery schedule. If there is an overtime policy that applies to the labor involved in making unforeseen alterations, that policy should be spelled out in advance.

Prepress Proofs

Prepress proofs can refer to anything from a laser print, type galley, or blueline, to Matchprint™ color. What they share in common is the opportunity they provide for the customer to review a job before it arrives on press. Since the responsibility of proofing falls on the customer, customers should be reminded to check not only for content accuracy but also for adherence to the customer's originals, color balance, and specifications.

9 PREPRESS PROOFS

Definition. Representations of text, composition, images, and other graphic elements for customer review before the job is produced in its final form. In text areas, also called customer rogue galley, or reader proof. In composition, proofs include reproduction or "repro" proofs intended to serve as originals for subsequent reproduction.

Trade Custom. The provider will submit prepress proofs along with original copy for the customer's review and approval. Corrections will be returned to the provider on a "master set" marked "O.K.," "O.K. With Corrections" or "Revised Proof Required" and signed by the customer. Until the master set is received, no additional work will be performed. The provider will not be responsible for undetected production errors if:

- ◆ Proofs are not required by the customer;
- ◆ The work is printed per the customer's OK;
- ◆ Requests for changes are communicated verbally.

Providers may need to address the limits of liability with regard to color proofing. (See chapter eleven).

Prepress Proofs. Prepress proofs come in many forms, ranging from laser print to photo print, in black and white, blueline, color print, or Color-Key.[™] All are designed to act as checkpoints for flagging errors before costly final production begins.

The kind of proofing included in quotations should be specified on the quotations itself. At additional cost, the customer may request other proofing forms. For example, if the customer prefers to see color proofs in a composite form, as opposed to loose separations with blueline, the customer may pay a premium but will also gain

an opportunity to check built type and screens that would otherwise not be seen before the press run. The provider should view every proof as a safeguard.

It is important to note that proofing has required even more care since the advent of electronic files. When copy was set by traditional typesetters, experienced proofreaders scrutinized galleys for spelling, grammatical, and typographical errors. Today, a designer or production person may be keying composition and laying out pages, as well as building traps. There are far fewer scrutinizing eyes and fewer checkpoints before a job arrives at the provider's shop than was formerly the case. As a result, far more errors are creeping into later stages of the printing process.

Customers must examine proofs carefully, whether they are laser prints or on photo paper. Each proof must be signed so that responsibility is clearly assigned.

Even with the addition of quality control, the provider cannot assume the burden of responsibility for correcting errors—even if they are the provider's errors—if the customer has already signed off on proofs containing those errors.

That may be little consolation, however, when a relationship is at stake. The best advice for both customer and provider is that they work together to produce an error-free job.

Press Proofs

At one time, the only way to simulate printed color was to actually print a short run on a small press. In such cases, the cost of a short run overrode the risk of making an error on a long run. Press proofs (or progressive proofs), once required by magazine publishers for all advertising, are a thing of the past, eliminated by the advent of sophisticated color-proofing systems.

10 PRESS PROOFS

Definition. Press sheets of a job on press for customer approval and/or change of color balance, halftone dots, and imposition on selected paper.

Trade Custom. Press proofs will not be furnished unless they have been required in writing in the provider's quotation. A press sheet can be submitted for the customer's approval as long as the customer is present at the press during make-ready. Any press time lost or alterations/ corrections made because of the customer's delay or change of mind will be charged at the provider's current rates.

Press Proofs. Today, press proofs refer to the make-ready sheets submitted for the customer's approval at the press. Because of the expense involved in press time, any changes other than simple color shifts are extremely costly at this time. This is particularly true in the case of web work where anything but an immediate sign-off can result in material waste that quickly exceeds the provider's waste factor.

When reviewing a proof on press, the customer should be asked to sign off on color, ink coverage, and registration, checking photo proofs to the actual printed piece. When color is approved, the signed make-ready proof becomes the new standard of quality for the remaining run.

Color Proofing

New color-proofing systems arrive on the scene on a seemingly daily basis—some more accurate than others. In the final analysis, however, no proofing system—even those that use a customer's actual paper stock—can exactly duplicate the conditions of every press operation.

11 COLOR PROOFING

Definition. Color images from film separations or disk printouts for proofing purposes and approval before final printing.

Trade Custom. Because of differences in equipment, paper, inks, and other conditions between color proofing and production pressroom operations, a reasonable variation in color between color proofs and the completed job is to be expected. When a variation of this kind occurs, it will be considered acceptable performance.

Color Proofs. Traditional color-proofing systems simulate color photographically, usually in a dry process. Printing, on the other hand, is a wet process using transparent inks. Images often appear to be sharper in a proof and may not reflect dot gain on press, ink holdout, color, or paper opacity.

Overruns/ Underruns

No matter how much it is perfected technologically, printing may never be an exact science. Each time materials are ordered, allowance must be made for a certain amount of waste—determined by factors like quantity, complexity, number of colors, etc. Within these waste tolerances, the provider must make provisions for overruns and underruns.

12 OVERRUNS/UNDERRUNS

Definition. The quantity produced above/below the order quantity.

Trade Custom. Overruns or underruns will not exceed 10 percent of the quantity ordered. The provider will bill for the actual quantity delivered within this tolerance. If the customer requires a guaranteed quantity, the percentage of tolerance must be stated at the time of quotation.

Providers may wish to set their own percentage for overruns and underruns.

POSSIBLE ALTERNATIVES

1. Overruns and underruns will not exceed 10 percent on quantities ordered up to ___ copies, and/or the percentage agreed upon over or under quantities ordered above 10,000 copies will constitute acceptable performance. The provider will bill for the actual quantity delivered within this tolerance. If the customer requires guaranteed "no less than" delivery, the overage tolerance percentage must be doubled.
2. The provider will confirm to the customer in writing what percentage of overrun or underrun, if any, will be allowed.

Overruns/Underruns. Customers are not always familiar with overrun/underrun policy, and it should be discussed early in the transaction to avoid confusion. The provider must decide whether or not to accept orders that do not allow overruns.

Customer's Property

All artwork and materials delivered to the provider remain the property of the customer. To limit liability for their care, the provider should obtain adequate insurance protection.

13 CUSTOMER'S PROPERTY

Definition. All manuscripts, artwork, separations, media, materials, or supplies delivered to the provider.

Trade Custom. The provider will only maintain fire and extended coverage on property belonging to the customer while the property is in the provider's possession. The provider's liability for such property will not exceed the amount recoverable from the insurance. Additional insurance coverage may be obtained if it is requested in writing and if the premium is paid to the provider.

While liability for the customer's property is the responsibility of the provider, proper copyright usage of such property is the responsibility of the customer—a subject that may also need to be addressed.

POSSIBLE ALTERNATIVE

The provider expects that original artwork delivered for printing will be, in fact, the property of the customer and that it may be reproduced unencumbered according to the customer's instructions. It is the customer's responsibility to ensure that copyrighted materials are being reproduced with the permission of the copyright holder. The provider may refuse to accept a printing order that appears to be illegitimate.

Customer Property. The provider assumes liability for the customer's property and is obligated to assume the financial burden of replacing damaged articles. Beyond the exercise of ordinary care, the provider may choose to buy insurance protection against fire, flood, or theft.

Copyright. The use of original photos and artwork is governed by strict copyright laws. It is the responsibility of the customer to make certain that no copyrights are violated in the reproduction of copyrighted materials.

Delivery

There is nothing more satisfying than a job well done—unless it is a job well done and delivered on time and within budget.

14 DELIVERY

Definition. The point at which possession of a finished product passes from a provider to the customer or destination designated by the customer.

Trade Custom. Unless otherwise specified, the price quoted is for a single shipment, without storage, F.O.B. the provider's platform. Proposals are based on continuous and uninterrupted delivery of the complete order. If the specifications state otherwise, the provider will charge accordingly at current rates. Charges for delivery of materials and supplies from the customer to the provider or from the customer's supplier to the provider are not included in quotations unless specified. Title for finished work passes to the customer upon delivery to the carrier at the shipping point or upon mailing of invoices for the finished work or a portion thereof, whichever occurs first.

Providers may wish to include a disclaimer of liability for costs incurred as the result of late delivery or damage.

POSSIBLE ALTERNATIVES

1. Unless otherwise specified, the price quoted is for a single shipment, without storage, F.O.B. the provider's platform. Proposals are based on continuous and uninterrupted delivery of a complete order unless the specifications explicitly state otherwise and will be charged for at the provider's current rates. Charges related to delivery from the customer to the provider or from the customer's supplier to the provider are not included in any quotation unless so specified. Materials delivered from the customer or the customer's suppliers are verified with delivery tickets as to cartons, packages, weight, or items shown only. The accuracy of quantities indicated on such tickets cannot be verified, and the provider cannot accept liability based on supplier

delivery tickets. Title for finished work will pass to the customer upon delivery to a carrier at the point of shipping or upon the mailing of invoices for finished work or a portion thereof, whichever occurs last.

2. Unless otherwise agreed to, all shipping and transportation charges for materials supplied to the provider and all shipping and transportation charges for work in progress, materials, and completed work to points or receivers designated by the customer are the responsibility of the customer. The provider is not liable for any costs incurred as a result of late delivery, damage, or erroneous contents.

Delivery. Providers sometimes unnecessarily assume obligations and incur costs that could be avoided if delivery policies were outlined in their terms and conditions. Some providers may wish to have all orders F.O.B. at their docks. Because of the risk of loss, it is desirable that title to the product be passed to the customer as soon as possible. When collection is an issue, however, it may be preferable to pass the title at the latest possible time.

Production Schedules

The production schedule sets the pace for work in progress and establishes a time line for both provider and customer. Delays on either side can cost both time and money.

15 PRODUCTION SCHEDULES

Definition. The scheduling of work and the cessation or delay of work already initiated by the customer for any reason.

Trade Custom. Production schedules will be established and followed by both the customer and the provider. There will be no liability or penalty for delays due to a state of war, riot, civil disorder, fire, strikes, accidents, action of government or civil authority, acts of God, or other causes beyond the control of the provider. In such cases, schedules will be extended by an amount of time equal to the delay incurred.

Providers may wish to include a disclaimer of liability for costs incurred as a result of late delivery or damage.

POSSIBLE ALTERNATIVES

1. Production schedules will be established and followed by both the customer and the provider. There will be no liability or penalty for delays due to a state of war, riot, civil disorder, fire, strikes, accidents, action of government or civil authority, acts of God, or other causes beyond the control of the provider. In such cases, schedules will be extended by an amount of time equal to the delay. Any costs incurred due to other delays of whatever cause will be charged to the customer at the provider's current rates.
2. Production schedules will be established and followed by both the customer and the provider, provided that neither will incur any liability or penalty for delays due to a state of war, riot, civil disorder, fire, strikes, accidents, energy failure, equipment breakdown, supplier or carrier delays, action of government or civil authority, acts of God, or other causes beyond the control of the provider. If the customer cancels an order or withdraws materials while work is in progress and before the order is com-

pleted, the provider will assume no responsibility for completion of the job and is entitled to compensation for all work completed at the time of cancellation or withdrawal.

Production Schedules. The three variables that most often earn a job for the provider are price, quality, and delivery. Very often, the customer is operating either on a tight budget or a tight deadline, sometimes both. And just as going over budget can sour a relationship, so can missing an important deadline. Fortunately, heroics at delivery time can build a trust that is more valuable than money.

It is extremely important to establish a realistic schedule, and the customer needs to know that keeping the job on track is a shared responsibility. On the customer's part, proof approvals should be swift and delivery instructions should be communicated when the order is placed. On the provider's part, the customer should be notified if the job begins to slip behind schedule and of the risk of a missed deadline.

Customer- Furnished Materials

When the customer furnishes artwork or other materials for a job, any liability for technical or production problems experienced as a result of their use is assumed by the customer.

16 CUSTOMER-FURNISHED MATERIALS

Definition. Any item furnished by the customer to be used for the job.

Trade Custom. Materials furnished by customers or their suppliers are verified by delivery tickets. The provider bears no responsibility for discrepancies between delivery tickets and actual counts. Customer-supplied paper must be delivered according to specifications furnished by the provider. These specifications will include correct weight, thickness, pick resistance, and other technical requirements. Artwork, film, color separations, special dies, tapes, disks, or other materials furnished by the customer must be usable by the provider without alteration or repair. Items not meeting this requirement will be repaired by the customer or by the provider at the provider's current rates.

Customer-Furnished Materials. The less control the provider has over artwork or other materials, the less liability it assumes.

When the customer coordinates purchases from outside suppliers, he or she assumes responsibility for their quality and delivery dates.

In regard to electronic files or artwork, it may be helpful for the customer to give the provider a sample or actual material to assist in the quotation process. This can head off potential problems, and quotations will be more accurate.

Outside Purchases

When the provider buys artwork or materials on the customer's behalf, the provider assumes liability for any technical or production problems that occur as a result of their use. The provider is compensated for this added liability in the form of a handling markup.

17 OUTSIDE PURCHASES

Definition. Materials bought by the provider to fulfill the customer's order.

Trade Custom. Unless otherwise agreed in writing, all outside purchases as requested or authorized by the customer, are chargeable.

Outside Purchases. The more control the provider has over artwork and other materials, the more liability it assumes.

Often, it is in the customer's best interests to allow the provider to coordinate purchases from outside suppliers, even though a premium must be paid, because the provider then assumes responsibility for quality and delivery.

Markups cover the cost of handling and the paperwork involved in placing or receiving orders and offset the risk and cost of production problems that may result from their use.

Terms/ Claims/Liens

Some providers require payment in phases, some on completion, and others in 15, 30, or 60 days after invoice. Title for work transfers to the customer upon delivery to a carrier, to the customer's dock, or upon mailing of invoices.

18 TERMS/CLAIMS/LIENS

Definition. The right to hold the customer's property pending satisfaction of outstanding obligations.

Trade Custom. Payment is net cash 30 calendar days from date of invoice. Claims for defects, damages, or shortages must be made by the customer in writing no later than 10 calendar days after delivery. If no such claim is made, the provider and the customer will understand that the job has been accepted. By accepting the job, the customer acknowledges that the provider's performance has fully satisfied all terms, conditions, and specifications.

The provider's liability will be limited to the quoted selling price of defective goods without additional charge for special or consequential damages. As security for payment of any sum due under the terms of an agreement, the provider has the right to hold and place a lien on all customer property in the provider's possession. This right applies even if credit has been extended, notes have been accepted, trade acceptances have been made, or payment has been guaranteed. If payment is not made, the customer is liable for all collection costs incurred.

Providers may wish to specify interest charges on past-due accounts.

POSSIBLE ALTERNATIVE

Payment is to be made in full within the period of stated terms. Companies and individuals placing orders with the provider are jointly and severally liable for payment for all work performed. Any amount not paid when due will bear interest at the maximum prevailing stated rate from the due date until paid. Title to all work remains with the provider until all invoices and additional charges have been paid in full. If payment is not made within the stated

terms, the customer will be liable for all costs incurred in collection, including all attorney fees and court costs.

Terms. Collecting unpaid invoices is one of the most serious problems facing the graphic arts provider today. To offset the negative impact this can have on cash flow, the provider is entitled to interest on late payments and reimbursement for costs incurred in collection. The provider may also hold customer-owned materials until final payment is made.

Liability

It is rare that a project ends in a legal dispute, but it can happen in situations in which work was performed without customer approval, approvals were given by an individual without responsibility for payment, contracts were vague or broken, or invoices were left unpaid.

Providers can carry insurance to protect themselves against such losses. In all cases however, prevention is the best protection—and good communication is the key!

19 LIABILITY

Definition. Any obligation or cost the provider must pay in the event of damage.

Trade Custom.

- 1. Disclaimer of Express Warranties.** The provider warrants that the work is as described in the purchase order. The customer understands that all sketches, copy, dummies, and preparatory work shown to the customer are intended only to illustrate the general type and quality of the work. They are not intended to represent the actual work performed.
- 2. Disclaimer of Implied Warranties.** The provider warrants only that the work will conform to the description contained in the purchase order. The provider's maximum liability, whether by negligence, contract, or otherwise, will not exceed the return of the amount invoiced for the work in dispute. Under no circumstances will the provider be liable for specific, individual, or consequential damages.

Liability. The provider warrants its products, as described in the order or contract, to be free of defects in materials or workmanship and within the bounds of reasonable quality. The provider may make no merchandising claims and accepts no liability beyond the amount to be paid by the customer, nor is the provider liable for any indirect damage that may result from any errors or inaccuracies.

Indemnification

If the provider is not involved in the creation of a product's content, it assumes no responsibility with regard to copyright laws or proprietary laws, including any content that may be deemed libelous or scandalous. The provider also reserves the right to refuse to print anything he believes may infringe on these laws.

20 INDEMNIFICATION

Definition. Insurance and defense against third-party suits.

Trade Custom. The customer agrees to protect the provider from economic loss and any other harmful consequences that might arise in connection with the work. This means the customer will hold the provider harmless and save, indemnify, and otherwise defend the provider against claims, demands, actions, and proceedings on any and all grounds. This will apply regardless of responsibility for negligence.

1. Copyrights. The customer also warrants that the subject matter to be printed is not copyrighted by a third party. The customer also recognizes that because subject matter does not have to bear a copyright notice to be protected by copyright law, absence of such notice does not necessarily assure a right to reproduce. The customer further warrants that no copyright notice has been removed from any material used in preparing the subject matter for reproduction. To support these warranties, the customer agrees to indemnify and hold the provider harmless for all liability, damages, and attorney fees that may be incurred in any legal action connected with copyright infringement involving the work produced or provided.

2. Personal or Economic Rights. The customer also warrants that the work does not contain anything that is libelous or scandalous or anything that threatens anyone's right to privacy or other personal or economic rights. The customer will, at the customer's sole expense, promptly and thoroughly defend the provider in all legal actions on these grounds as long as the provider:

- ◆ promptly notifies the customer of the legal action
- ◆ gives the customer reasonable time to undertake and conduct a defense.

The provider reserves the right to use its sole discretion in refusing to print anything the provider deems libelous, scandalous, improper, or infringing on copyright law.

Storage

At the completion of a project, the materials involved in creating the work must be returned to their rightful owners. How long these materials are stored and the cost of their storage are issues that are best addressed when a job is entered.

21 STORAGE

Definition. Retaining of the customer's intermediate materials.

Trade Custom. The provider will retain intermediate materials until the related end product has been accepted by the customer. If requested by the customer, intermediate materials will be stored for an additional period at an additional charge. The provider is not liable for any loss or damage to stored material beyond what is recoverable by the provider's fire and extended insurance coverage.

A provider may want to charge storage fees on materials retained beyond the length of the job.

POSSIBLE ALTERNATIVE

The provider shall retain customer's intermediate materials until the related end product has been accepted by the client or its representative. If requested by the client, intermediate materials shall be stored for an additional period of up to one year, for an additional charge. Reasonable care will be taken by the graphic arts company to provide an appropriate storage environment. The provider shall not be held liable beyond costs recovered by insurance for any loss or damage to said stored materials due to fires, accidents, wars, floods, civil unrest or other causes beyond its control. Integrity of stored electronic data cannot be guaranteed due to technological limitations of media and devices available.

Storage. Customer intermediate materials are returned upon final payment unless agreed to by the provider. Provider's intermediate materials—whether artwork, negatives, plates or computer files, are stored only for a limited time. If the customer requests the long-term storage of any materials, the provider may charge a nominal fee for providing appropriate storage space and assuming the responsibility of maintaining the files.

Taxes

Although most quotations do not include taxes, the provider should indicate that appropriate taxes will be charged so that the customer has a clear idea of the total cost of the job.

22 TAXES

Definition. Additional government levy on work.

Trade Custom. All taxes and assessments levied by any governmental authority are the responsibility of the customer. All amounts due for taxes and assessments will be added to the customer's invoice. No tax exemption will be granted unless the customer's "Exemption Certificate" (or other official proof of exemption) accompanies the purchase order. If, after the customer has paid the invoice, it is determined that more tax is due, then the customer must promptly remit the required taxes to the taxing authority or immediately reimburse the provider for any additional taxes paid.

Taxes. Tax laws governing the graphic arts industry are complicated and may vary from county to county and state to state. While taxes may not be applicable on certain labor, when such labor is invoiced as part of the finished product, taxes may be required. A negative that is a finished product (for example, an advertisement) may be taxable while another that is billed as part of a provided service (for example, the creation of mechanical art) may not be taxable. Providers should check with appropriate agencies for applicable tax laws in their city, county, and state.

Telecommunications

Digital data can be physically transported on disk, magnetic tape, or CD-ROM or electronically transmitted via modem over telephone lines and various network lines. Before the transmission is attempted, it must be determined that the software and hardware configurations of sender and receiver are compatible.

23 TELECOMMUNICATIONS

Definition. The electronic transmission of text or image data from one location to another.

Trade Custom. Unless otherwise agreed, the customer will pay for all transmission charges. The provider is not responsible for any errors, omissions, or extra costs resulting from faults in transmission.

Telecommunications. Because of differences in the various software programs and hardware on the market, errors may occur as data is transmitted. To assist in troubleshooting efforts, hard copies of electronically transmitted data must be provided. Faxed copies can accompany information transmitted via modem.

Remember, too, that whoever transmits the information is responsible for the accuracy and cost of the transmission.

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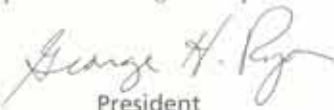
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GATF Graphic Arts Technical Foundation

The Graphic Arts Technical Foundation was founded in 1924 as a non-profit, member-directed research and educational institute. GATF corporate members number 1,800 in over 65 countries. GATF accomplishes its mission, "to serve the graphic communications community as the major resource for technical information and services through research and education," by developing and conducting training programs for printers and suppliers at its headquarters and in locations around the world. It is also the world's leading publisher of training materials and the largest developer of test images and process control targets in graphic communications; including those developed and licensed for desktop publishing.



George H. Ryan
President



National Association of Printers and Lithographers

Chartered in 1933, the National Association of Printers & Lithographers is a 3,600-member trade association that provides a full range of management services to printing industry firms throughout the U.S., Canada, and the world. These services include consulting in a variety of management disciplines; continuing education through seminars, conferences, and the NAPL Management Institute; and the development of a wide range of publications, reports, and periodicals designed to enhance the profitable management of a printing business. The Association helps promote the printing industry as a career choice through its membership in the Education Council of the Graphic Arts.



N. Gregory Orr
President



Printing Industries of America

PIA's mission is to promote the general welfare and specific goals of the graphic arts industries, serving as their advocate and advancing the management goals of member firms in North America. PIA has approximately 14,250 member firms served by a full-time staff of 75. Companies are qualified for active membership if they are engaged in printing by any or all processes. Those companies involved in the printing support industries, such as suppliers and dealers, are qualified for associate membership in PIA. Companies become members of the national association through their membership in one of PIA's 33 local affiliates. In areas not served by an affiliate, companies may join PIA directly.



Ray Lopez
President