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CONSTRUCTION SUB-CONTRACTOR AGREEMENT (PAYMENT ON COMPLETION OF WORKS BASED ON DAILY RATES, WITH RETENTION)

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BETWEEN:

1. The Contractor

-AND-

(2) Sub-Contractor

CONSTRUCTION SUB-CONTRACTOR AGREEMENT (PAYMENT ON COMPLETION OF WORKS BASED ON DAILY RATES, WITH RETENTION)

THIS AGREEMENT is made on the day of

BETWEEN:

(1) <Name of Contractor>, a company registered in <Country of Registration> under number <Company Registration number>, with its registered office at <Registered office> (the “Contractor”) and

(2) <Name of Sub-Contractor> of <Address> (the “Sub-Contractor”)

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS 1.1 For the purposes of this Agreement, unless the context indicates otherwise, the following terms shall have the following meanings:

'Confidential Information' Refers to information disclosed by one party to the other in connection with this Agreement, regardless of whether it is in written, oral, or any other form and whether it is explicitly marked as confidential.

'Main Contract' Refers to the contract dated <Date> between

(1) <Name of Employer> and

(2) The Contractor is responsible for the execution of the Main Contract Works.

'Main Contract Works' Refers to <Brief description of main contract works>;

'Works' Refers to the tasks described in Part 1 of the Schedule.

1. ENGAGEMENT OF SUB-CONTRACTOR

 2.1 The Contractor engages the Sub-Contractor to execute the Works according to the terms and conditions of this Agreement.

2.2 The Sub-Contractor and their workforce will always operate under the Sub-Contractor’s sole direction and control.

2.3 The Sub-Contractor confirms their registration with HMRC’s Construction Industry Scheme and has provided proof of this registration to the Contractor.

2.4 The Contractor’s obligation to make payments under this Agreement is contingent upon the provisions of the Construction Industry Scheme.

2.5 The Sub-Contractor may not subcontract any portion of the Works without prior written consent from the Contractor.

2.6 Neither party may assign this Agreement’s benefits without the prior written consent of the other party.

2.7 This Agreement does not establish any ongoing obligation for either party to offer or accept future work beyond what is stipulated herein.

1. TIMING

3.1 The Sub-Contractor shall commence the Works [on <Date>] OR [between <Date> and <Date>] OR [within 14 days following the Contractor’s written instruction to start the works].

3.2 The Sub-Contractor shall endeavour to complete the Works [within <Number> weeks of commencement] OR [according to the following schedule: <Insert timetable, e.g., list of works, target dates>].

3.3 The Contractor shall inform the Sub-Contractor in writing when the Works are practically complete.

3.4 The Sub-Contractor shall rectify any defects in the Works at their own cost within a reasonable period upon receiving notification from the Contractor within 3 months of the practical completion date.

1. SUBCONTRACTORS OBLIGATIONS

 4.1 The Sub-Contractor shall provide skilled and experienced personnel to perform the Works to a high standard.

4.2 The Works shall be carried out in a manner that does not cause the Contractor to breach any part of the Main Contract known to the Sub-Contractor.

4.3 The Sub-Contractor shall supply:

4.3.1 The goods and materials (if any) specified in Part 2 of the Schedule; and

4.3.2 All other necessary goods and materials, except those listed in Part 3 of the Schedule, shall be of satisfactory quality.

4.4 The Sub-Contractor shall provide all tools, machinery, safety gear, and protective clothing needed for the Works, except those listed in Part 4 of the Schedule.

4.5 The Sub-Contractor shall clear all waste generated from the site during the Works.

4.6 The Sub-Contractor is responsible for the organisation and sequence of the Works, coordinating with the Contractor’s representative to minimise disruption to the Contractor and any other subcontractors.

4.7 The Sub-Contractor shall comply with all applicable laws and regulations. 4.8 The Sub-Contractor shall adhere to all reasonable site regulations set by the Contractor.

1. CONTRACTOR’S OBLIGATIONS

5.1 The Contractor shall ensure the Sub-Contractor has sufficient access to the site to fulfil their obligations.

5.2 The Contractor shall provide the goods and materials (if any) listed in Part 3 of the Schedule, all of which shall be of satisfactory quality.

5.3 The Contractor shall supply the tools, machinery, safety gear, and protective clothing (if any) listed in Part 4 of the Schedule.

5.4 The Contractor shall comply with the Construction (Design and Management) Regulations 2015 as they apply to the Works and the site.

1. LIABILITY, INDEMNITY, AND INSURANCE

6.1 Subject to clause 6.3, the Sub-Contractor shall be liable for, and indemnify the Contractor against, any costs, liabilities, damages, losses, claims, or proceedings related to personal injury or death arising out of or in connection with the Works, due to negligence or default by the Sub-Contractor or their representatives.

6.2 Subject to clause 6.3, the Sub-Contractor shall be liable for and indemnify the Contractor against any costs, liabilities, damages, losses, claims, or proceedings related to property damage arising out of or in connection with the Works due to negligence or default by the Sub-Contractor or their representatives.

6.3 The total liability of the Sub-Contractor under clause 6.1 shall be limited to £<sum>.

6.4 The Sub-Contractor shall maintain adequate professional indemnity and public liability insurance for themselves, and anyone authorised to carry out any part of the Works, providing proof of such insurance upon request.

1. PAYMENTS TO THE SUB-CONTRACTOR

7.1 The Sub-Contractor will be compensated at a rate of £<sum> per day for their own work and £<sum> per day for other staff.

7.2 The Sub-Contractor [will be reimbursed for goods and materials provided and other reasonable expenses incurred with the prior approval of the Contractor, supported by receipts] OR [will receive no further payment for goods, materials, or other expenses beyond the specified compensation].

7.3 Payment of <e.g., 95>% of the amount due to the Sub-Contractor shall be made upon practical completion of the Works.

7.4 The remaining <e.g., 5>% of the amount due shall be payable 4 months after practical completion or one month after any defects notified under clause 3.4 have been rectified (the “Final Payment Date”).

7.5 After practical completion, the Sub-Contractor shall submit an invoice for <e.g., 95>% of the amount due, detailing the work performed and time spent by all workers.

7.6 [The invoice must also itemise all goods and materials provided, and other expenses claimed under clause 7.2.]

7.7 After the Final Payment Date, the Sub-Contractor shall submit an invoice for the remaining <e.g., 5>% of the amount due, certifying that all defects have been rectified.

7.8 The Contractor shall pay the invoiced amounts within 14 days of receipt.

7.9 All payments under this Agreement exclude any applicable Value Added Tax.

7.10 If the Contractor fails to pay an invoice by the due date, they shall pay the Sub-Contractor interest at a rate of 5% per annum above Barclays Bank plc’s base rate from the due date until payment is made.

1. NON-COMPETITION AND NON-SOLICITATION

8.1 The Sub-Contractor [shall not, during the Works or for <insert time period> after termination, provide similar services to any competitor of the Contractor within <insert radius> of <insert location>]. The Contractor may waive this restriction in writing.

8.2 The Sub-Contractor [shall not, during the Works or for <insert time period> after termination, solicit the Contractor’s clients or employees with whom they had dealings within the previous <insert time period>]. The Contractor may waive this restriction in writing, provided it does not violate any prior agreement with the client.

1. DATA PROTECTION

9.1 In this Clause 9:

9.1.1 “Data Protection Legislation” means GDPR and any national implementing laws, regulations, and secondary legislation, as amended from time to time, in the UK, and any successor legislation;

9.1.2 “GDPR” means EU Regulation 2016/679 General Data Protection Regulation;

9.1.3 “personal data” has the meaning defined in the Data Protection Legislation;

9.1.4 “First Party” means either party to this Agreement; and

9.1.5 “Other Party” means the party not currently acting as the First Party.

9.2 All personal data used by a First Party will be handled under Data Protection Legislation and the rights of the Other Party under it.

9.3 For full details of how personal data is collected, processed, stored, and retained, and for information on rights and data sharing, the Other Party should refer to the Privacy Notice of the First Party.

9.4 The Privacy Notice of a First Party is available upon request.

9.5 All personal data shared under this Agreement will be under any Data Sharing Agreement entered into on <insert date>.

9.6 All personal data processed by a First Party on behalf of the Other Party under this Agreement will be under any Data Processing Agreement entered into on <insert date>.

1. CONFIDENTIALITY

10.1 Except as provided in clause 10.2 or as authorised in writing, each party shall:

10.1.1 Keep all Confidential Information confidential during and for [<insert period> years] after this Agreement’s term;

10.1.2 Not disclose any Confidential Information to any third party;

10.1.3 Only use Confidential Information as permitted by this Agreement;

10.1.4 Not copy or record any Confidential Information; and

10.1.5 Ensure their representatives adhere to these confidentiality terms.

10.2 Either party may disclose Confidential Information to:

10.2.1 Sub-contractors, suppliers, regulatory bodies, or employees as necessary for this Agreement or as required by law, provided they are informed of the confidentiality and a written confidentiality undertaking is obtained if not legally required;

10.2.2 Use Confidential Information as public knowledge without disclosing non-public parts.

10.3 Clause 10 continues after the termination of this Agreement.

1. FORCE MAJEURE

 11.1 No party shall be liable for delays or failures in performance due to causes beyond their control, such as power failures, internet outages, industrial actions, civil unrest, natural disasters, terrorism, war, or governmental actions.

11.2 If a force majeure event prevents performance for a continuous period of <insert period>, either party may terminate this Agreement by written notice. The parties shall agree on fair payment for completed Works up to termination, considering any prior commitments.

1. TERMINATION

12.1 Either party may terminate this Agreement immediately by written notice if:

12.1.1 The other party materially breaches the Agreement and fails to remedy the breach within seven days of notice; or

12.1.2 The other party enters bankruptcy or liquidation, except for bona fide corporate restructuring. 12.2 If the Main Contract is terminated:

12.2.1 This Agreement terminates automatically;

12.2.2 The Contractor shall notify the Sub-Contractor immediately; and

12.2.3 The Sub-Contractor shall vacate the site immediately.

12.3 Either party may terminate this Agreement without cause by giving 28 days’ written notice.

12.4 Termination shall not affect accrued rights.

1. DISPUTE RESOLUTION

13.1 In the event of a dispute that cannot be resolved by negotiation:

13.1.1 The parties shall consider mediation;

13.1.2 Either party may refer the dispute to adjudication per the Scheme for Construction Contracts (England and Wales) Regulations 1998;

13.1.3 Either party may refer the dispute to arbitration under the Arbitration Act 1996, applying to the Chartered Institute of Arbitrators for arbitrator appointment if necessary.

1. MISCELLANEOUS

14.1 This Agreement constitutes the entire agreement between the parties concerning the Works, superseding any prior agreements.

14.2 Notices shall be sent by recorded delivery or registered post to the addresses in this Agreement or, as updated in writing, deemed received 48 hours after posting.

14.3 Headings are for reference only and not part of the Agreement.

14.4 Words in the singular include the plural and vice versa, words importing any gender include all genders, and references to persons include corporate bodies and unincorporated bodies.

14.5 A person not a party to this Agreement has no right to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

1. GOVERNING LAW AND JURISDICTION

15.1 The laws of England and Wales govern this Agreement, and any disputes shall be adjudicated in that jurisdiction.

IN WITNESS WHEREOF, this Agreement has been executed on the date first written above.

SIGNED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 <Name and Title of person signing for Contractor> for and on behalf of <Contractor's Name>

In the presence of <Name & Address of Witness>

SIGNED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<Name and Title of person signing for Sub-Contractor> for and on behalf of <Sub-Contractor's Name>

In the presence of <Name & Address of Witness>

Schedule

Part 1 – Description of the Works

<Insert detailed description of Works or refer to another document, e.g., a tender>

Part 2 – List of goods and materials to be supplied by the Sub-Contractor

<Insert list>

Part 3 – List of goods and materials to be supplied by the Contractor

<Insert list>

Part 4 – List of tools, plant and machinery, safety equipment, and protective clothing to be supplied by the Contractor

<Insert list>