

YOUR BUSINESS NAME

SUBCONTRACT AGREEMENT

SUBCONTRACT #

DATE

PROJECT

CONTRACTOR

SUBCONTRACTOR

PROJECT ADDRESS

START DATE

COMPLETION DATE

1. SUBCONTRACTED SCOPE

Work not listed above is not part of this subcontract. The subcontractor is responsible for its own material, tools, equipment, consumables, layout and daily clean up of its own debris unless stated otherwise.

2. SUBCONTRACT PRICE AND PAYMENT

CONTRACT PRICE

PRICING BASIS

3. PAYMENT AND CONDITIONS PRECEDENT

Payment applications are due by the date stated above. Payment to the subcontractor is due within the number of days stated after the contractor receives payment from the owner for that work. Several states restrict or prohibit pay if paid clauses, so this agreement is written as pay when paid and the timing clause must be checked against the law of the state where the project is located.

4. LIEN WAIVERS

Each progress payment is conditioned on delivery of a conditional waiver for the amount applied for, and each payment already received is conditioned on delivery of an unconditional waiver. Final payment is conditioned on unconditional final waivers from the subcontractor and from its own suppliers and lower tier subcontractors.

5. INSURANCE

The subcontractor carries general liability, workers compensation where required, and auto liability at the limits stated in the exhibit, and names the contractor as additional insured. A certificate of insurance must be on file before the subcontractor comes on site, and work stops if the certificate lapses.

6. INDEMNITY

The subcontractor indemnifies the contractor against claims arising out of the subcontractor's own work, to the extent caused by the subcontractor. Anti indemnity statutes in many states limit how far this can go, and a clause that overreaches is often unenforceable in full.

7. INDEPENDENT CONTRACTOR STATUS

The subcontractor is an independent business, controls the means and methods of its own work, supplies its own tools, and is responsible for its own taxes, its own employees and its own licensing. Nothing here creates employment.

8. SCHEDULE AND COORDINATION

The subcontractor works to the project schedule and coordinates with other trades. Notice of any delay must be given in writing on the day it occurs. Failure to man the work after written notice allows the contractor to supplement the work and backcharge the cost.

9. BACKCHARGES AND CLEAN UP

Damage caused by the subcontractor to work in place, failure to remove its own debris, and costs incurred to correct defective work may be backcharged against amounts due, after written notice and a reasonable opportunity to correct.

10. WARRANTY AND CORRECTION

The subcontractor warrants its work for the period stated in the prime contract, and not less than one year from substantial completion. The subcontractor returns to correct defective work within a reasonable time of written notice.

11. TERMINATION

The contractor may terminate for cause after written notice and a cure period, or for convenience, in which case the subcontractor is paid for work performed and material properly ordered up to termination.

12. DISPUTES

The parties attempt direct resolution first. This subcontract is governed by the law of the state where the project is located and, where the prime contract requires it, is bound by the same dispute procedure.

SIGNATURES

Contractor

Subcontractor

Print name and date

Print name and date

Subcontract terms are heavily regulated at state level, particularly pay if paid clauses, indemnity, retainage and prompt payment deadlines. Have a construction attorney in your state review this once before you use it. This is general information and not legal advice.