

AU-SGAcst06

## **Builders contract with sub-contractor**

This agreement is dated:

[Contractor name] of [address] (the "Contractor")

And

[Sub-contractor's name] [ ] (the "Sub-contractor")

## Background

The purpose of this agreement is to set up and regulate the relationship between the Contractor and the Sub-contractor in connection with any work

**The terms of this Agreement are:**

## 1. Definitions that apply to this agreement

"Main Contract" means the work to be done under a construction contract made

"Client" means the client of the Contractor

"Specification" means a specification for work which the parties agree from time to time to be

"Sub-contract" means any agreement between the parties whereby the Sub-contractor agrees to

"First Project" means the first Project for which the Contractor appoints or instructs the Sub-

"Project" means the work to be done in accordance with a Specification provided from time to time

## **2. Basic contract**

- 2.1 The Specification of the First Project is set
- 2.2 The Sub-contractor has agreed to work on the First Project on
- 2.3 This agreement regulates both the First Project and also any subsequent Project for which the Contractor appoints the Sub-contractor. It applies even if neither
- 2.4 Neither party is bound to enter into a second
- 2.5 The terms of any Main Contract do not affect this agreement unless a reference to that
- 2.6 This agreement does not create any partnership or
- 2.7 The Sub-contractor is neither an employee nor agent of the Contractor and does not have authority

## **3. Requirements for Projects**

- 3.1 The work required for each Project shall be
- 3.2 The Specification shall describe, among other data:
  - 3.2.1 the work to be done;
  - 3.2.2 the outcomes to be expected;
  - 3.2.3 the timescale and milestones;
  - 3.2.4 the method of calculating sums due to ;
  - 3.2.5 the hours of work or fixed price;
  - 3.2.6 arrangements for payment.
- 3.3 All work shall be to:
  - 3.3.1 the Specification;

- 3.3.2 relevant standards of the International Organisation for Standardisation;
  - 3.3.3 the satisfaction of the local authority building inspector;
  - 3.3.4 the satisfaction of any properly qualified building surveyor
- 3.4 By accepting a Sub-contract the Sub-
- 3.5 [\[Upon completion of any Sub-contract, the Sub-](#)  
].

#### **4. Sub -contractor warranties**

The Sub-contractor warrants that he:

- 4.1 [holds and will maintain one or more](#)

[OR](#)

- 4.2 [will obtain insurance against liability for negligence in work done under this agreement](#)

- 4.3 will work safely and

- 4.4 will provide all necessary plant, , , , , ,

Scaffolding;

Fork-lift truck;

[\[List](#) ]

## 5. On-site matters

5.1 The Sub-contractor will comply with

5.2 The Sub-contractor agrees that whilst

5.2.1 all laws and regulations relating to his work;

5.2.2 the specific

5.3 The Sub-contractor may not

5.4 At the completion of each Sub-contract the Sub-

## 6. Sub-contractor pays tax

6.1 [The subcontractor confirms that he is registered](#)

[

].

6.2 The Sub-contractor accepts full liability for payment of income tax

-

(

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6.3 The Sub-contractor now agrees to indemnify the Contractor against any claim or assessment or order to pay

## 7. Sub-contractor's fees and expenses

7.1 [Unless specified to the contrary in any](#)

OR

7.2 The Contractor shall pay the Sub-

7.3 Unless specified to the contrary in any Sub-contract, the Contractor will pay the - \$ [ 000 ]

\$ [ 000 ]

7.4 No payment shall be due to the -

OR

7.5 After the end of each month the Sub-contractor will send an

7.6 Each invoice submitted to the Contractor for

7.7 The Contractor will make payment of the [ 14 ]

7.8 The Sub-contractor shall at all times maintain accurate and up-to-date records of the

15 -

7.9 The invoice shall include whatever reasonable expenses the Sub-contractor has incurred -

[ ] [ ]  
].

## 8. Health and Safety

8.1 The Sub-contractor is

8.2 The Sub-contractor and

## 9. Use of sub-sub-contractors

The Sub-contractor may perform any

:

9.1 first obtains the written consent of

- - ;

OR

9.2 first obtains the written consent of the Contractor to

- - ;

9.3 remains liable for the performance of this agreement;

OR

9.4 indemnifies the Contractor fully against any loss or

- - .

9.5 [This contract / ]

[ ] .

OR

9.6 So far as work under this contract

- - [ ] .

9.7 The Sub-contractor shall not sub-

-

## 10. Disclaimers and limitation of liability

10.1 The Contractor shall not be liable to the Sub-contractor for any

10.2 All implied conditions, warranties and terms are excluded from this agreement. If an implied

10.3 Except in the case of death or personal injury, the total liability of the Contractor under this

10.4 This paragraph (and any other paragraph which excludes or restricts the

## 11. Duration and termination

This agreement shall continue until terminated:

11.1 by one party giving [ 28 ]

11.2 immediately by the Sub-contractor if the Contractor fails to pay any [ 28 ]

11.3

[ 30 ]

11.4

11.5



11.5.1 -

;

11.5.2 -

;

11.5.3 -

;

11.6

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## 12. Indemnity by the Sub-contractor

-

,

:

12.1 the negligence of the Sub-contractor; or

12.2 - ;

12.3 - ;

12.4 - ;

12.5 - , ;

12.6 - .

## 13. Restraint of trade

14.1. - :

14.1.1

14.1.2

14.2.

## 14. Assignment of this contract

## 15. Uncontrollable events

15.1

, [ ].

*OR*

15.2

[ ]

*OR*

15.3

[ ],

[7]

15.4

15.5

15.6

15.7

15.8

15.9

## 16. Miscellaneous matters

16.1

16.2

16.3

16.4

16.5

16.6

1988

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[

/

][

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16.7

It shall be deemed to have been delivered:

:

;

:

72

;

-

-

:

24

. [

]

16.8

16.9

16.10

16.11

[ ]

[ ]

Signed by [name]

On behalf of [Contractor name]:

Signed by [the Director on behalf of] the Sub-contractor:

# The Schedule Specification of the First Project

:  
, - .

## Explanatory notes:

### Builders contract with sub-contractor

## General notes

### 1. Australian Taxation Office(ATO) Guidance

ATO guide provides information that is specific to businesses, including contractors and sub-contractors, in the building and construction industry and commercial trade service

<http://www.ato.gov.au/Business/Building-and-construction/>

## Paragraph Specific Notes:

Comments specific to the numbered paragraphs

### 1. Definitions

The construction industry thrives around the word “contract” and derivations of it. However, that can be confusing. Every time you buy your groceries you are a “contractor” in that you are entering into a contract to buy them. You can see the terms we have used, but there may be better ones to suit your business. For example, you could use the name of your company

### 2. Basic contract

This document is drawn as an “umbrella” under which any number of separate contracts can shelter. However, to make quite clear that the parties have given something of value (essential to create a contract), we have included here the

We have provided for a specification of the contract to be set down in the schedule. If you prefer you could refer to it as

### 3. Requirements for Projects

Here is a short menu of practical points. We suggest that you should edit it to include all the matters

**4. Sub -contractor warranties**

According to your industry sector, there may be other areas

**5. On-site matters**

A menu of practical items you may need. Edit as you

**6. Sub-contractor pays tax**

The provisions around the question of payment are very important in any commercial contract. However, we are concerned here to protect you against an assessment from Australian Taxation Office on cash you have paid out

**7. Sub-contractor's fees and expenses**

We have coloured this entire paragraph in blue because you may not want any of it here. Payment procedure is important. You are well advised to set out exactly what you want and present

We have therefore provided a menu of possibilities which you can

**8. Health and Safety**

Obviously useful - not only as practical points but to show that

**9. Use of sub-sub-contractors**

“Sub-sub-contract” is a clumsy

There are three alternatives:



**10. Disclaimers and limitation of liability**

Provisions to

**11. Duration and termination**

Because this is

**12. Indemnity by the Sub-contractor**

A useful provision to protect you.

**13. Restraint of trade**

This will be important to you only if you

**14. Assignment of this contract**

Give careful thought to this. Consider the circumstances on both sides

**15. Uncontrollable events**

Often referred to as “force

**16. Miscellaneous matters**

A number of special points we have identified each of these as important

**End of notes**