

SUBCONTRACTOR AGREEMENT

1. 1. Parties and Project

This Subcontract Agreement (the "Subcontract") is made as of [EFFECTIVE DATE] between [CONTRACTOR NAME], a [ENTITY TYPE] holding license number [CONTRACTOR LICENSE NUMBER] and located at [CONTRACTOR ADDRESS] (the "Contractor"), and [SUBCONTRACTOR NAME], a [ENTITY TYPE] holding license number [SUBCONTRACTOR LICENSE NUMBER] and located at [SUBCONTRACTOR ADDRESS] (the "Subcontractor"). The Subcontractor will perform a portion of the work on the project known as [PROJECT NAME] at [PROJECT ADDRESS] (the "Project"), which the Contractor is performing for [OWNER NAME] (the "Owner") under a prime contract dated [PRIME CONTRACT DATE] (the "Prime Contract"). Each Party represents that the person signing below is authorized to bind it, and that it holds every license, registration, and bond required to perform its portion of the Project.

2. 2. Subcontract Work

The Subcontractor will furnish all labor, materials, tools, equipment, hoisting, layout, supervision, and services necessary to complete the following: [SUBCONTRACT SCOPE, e.g., all rough and finish carpentry as shown on sheets [SHEET NUMBERS]] (the "Subcontract Work"). The Subcontract Work includes everything reasonably inferable from the plans and specifications as necessary to produce a complete and functioning result for the trade, whether or not each item is expressly listed. The following are excluded: [EXCLUSIONS, e.g., temporary power, dumpster, permits pulled by others, engineering, testing and inspection fees]. Quantities, unit prices, and allowances, where applicable, are set out in Exhibit A. The Subcontractor has reviewed the Contract Documents and visited the Project site, and accepts responsibility for conditions that were reasonably observable at the time of bid.

3. 3. Incorporation of the Prime Contract and Flow-Down

The Contract Documents for the Project, including the Prime Contract, the drawings, the specifications, and all addenda, are incorporated into this Subcontract by reference, and the Subcontractor has been given the opportunity to review them. To the extent they apply to the Subcontract Work, the Subcontractor assumes toward the Contractor all the obligations, risks, and responsibilities that the Contractor assumes toward the Owner, and has the benefit of all rights and remedies the Contractor has against the Owner. If the Prime Contract and this Subcontract conflict, the provision imposing the higher standard on the Subcontract Work controls, except that the payment, dispute resolution, and termination terms of this Subcontract govern between the Parties. Nothing in this section creates a contractual relationship between the Subcontractor and the Owner.

4. 4. Subcontract Price and Applications for Payment

The Contractor will pay the Subcontractor [SUBCONTRACT PRICE] for the Subcontract Work, priced as a [LUMP SUM / UNIT PRICE / TIME AND MATERIALS NOT TO EXCEED [NTE AMOUNT]]. The Subcontractor will submit an application for payment by the [APPLICATION DEADLINE, e.g., 25th] of each month, showing the value of work completed and materials properly stored, supported by a schedule of values, certified payroll where required, and the lien waivers described in Section 6. The Contractor will pay approved amounts, less retainage of [RETAINAGE PERCENTAGE], within [PAYMENT TERM, e.g., 10 days] after the Contractor receives payment from the Owner for that work. If the Owner has not paid within [PAYMENT OUTSIDE LIMIT, e.g., 60 days] of the application for reasons unrelated to the Subcontract Work, the Contractor will pay the Subcontractor regardless; the payment provision of this section is a timing mechanism and not a condition that shifts the risk of Owner insolvency to the Subcontractor. Retainage is released within [RETAINAGE

RELEASE PERIOD, e.g., 30 days] after acceptance of the Subcontract Work and delivery of final waivers.

5. 5. Change Orders and Extra Work

The Subcontractor will not perform extra or changed work without a written change order signed by the Contractor. Requests for a change in price or time must be submitted in writing within [CHANGE NOTICE PERIOD, e.g., 5 days] after the event giving rise to the claim, with supporting cost detail, and failure to give that notice waives the claim to the extent the Contractor is prejudiced. Changed work is priced at [CHANGE PRICING, e.g., agreed lump sum, or actual cost of labor, materials, and equipment plus [MARKUP PERCENTAGE] for overhead and profit and [BOND AND INSURANCE PERCENTAGE] for bond and insurance]. Where a change originates with the Owner, the Subcontractor is entitled to the amount and the time extension the Contractor actually recovers from the Owner for that change, and the Subcontractor will cooperate in presenting and documenting the claim.

6. 6. Lien Waivers, Payment of Lower Tiers, and Bond Claims

With each application for payment, the Subcontractor will deliver a conditional waiver and release for the current period and an unconditional waiver and release for all amounts previously paid, from itself and from each of its own subcontractors, suppliers, and material vendors furnishing more than [WAIVER THRESHOLD]. The Subcontractor will promptly pay all of its workers, lower-tier subcontractors, and suppliers from funds received. The Subcontractor will keep the Project and the Contractor free of claims, liens, and stop notices arising from the Subcontract Work and will discharge, bond around, or otherwise remove any such claim within [LIEN REMOVAL PERIOD, e.g., 10 days] after written notice. Nothing in this Subcontract waives, in advance, any lien or payment bond right the Subcontractor has under applicable law, and any waiver is effective only to the extent of payments actually received.

7. 7. Schedule, Coordination, and Acceleration

The Subcontractor will begin the Subcontract Work within [MOBILIZATION PERIOD, e.g., 5 days] after written notice from the Contractor and will prosecute it diligently in accordance with the Project schedule, as updated from time to time. Time is of the essence. The Subcontractor will attend coordination meetings, submit and update its own manpower and procurement schedule, and cooperate with other trades so that its work does not interfere with or damage theirs. The Subcontractor will provide submittals, shop drawings, and product data within [SUBMITTAL PERIOD, e.g., 14 days] of award. If the Subcontract Work falls behind through no fault of the Contractor, the Contractor may direct the Subcontractor to add manpower or work overtime at the expense of the Subcontractor after [ACCELERATION NOTICE, e.g., 48 hours] written notice and a failure to present an acceptable recovery plan.

8. 8. Site Conduct, Safety, and Cleanup

The Subcontractor is responsible for the safety of its own employees, its lower tiers, and the means and methods of the Subcontract Work, and will comply with all applicable occupational safety and health requirements, the Project safety program, and any site-specific rules issued by the Contractor. The Subcontractor will hold its own toolbox talks, supply and enforce the use of personal protective equipment, maintain safety data sheets on site, and report any recordable injury or property damage to the Contractor within [INCIDENT REPORT PERIOD, e.g., 24 hours]. The Subcontractor will remove its own debris, packaging, and surplus material to the designated container daily and will leave its work areas broom clean. If the Subcontractor fails to clean up after [CLEANUP NOTICE, e.g., 24 hours] written notice, the Contractor may perform the cleanup and backcharge the actual cost plus [CLEANUP MARKUP PERCENTAGE].

9. 9. Insurance, Additional Insured, and Bonds

Before mobilizing, the Subcontractor will provide certificates evidencing commercial general liability insurance of at least [GENERAL LIABILITY LIMIT, e.g., \$1,000,000 per occurrence and \$2,000,000 aggregate] with products and completed operations coverage, automobile liability of at least [AUTO LIABILITY LIMIT], workers compensation at statutory limits with employer liability of [EMPLOYER LIABILITY LIMIT], and umbrella or excess coverage of [UMBRELLA LIMIT] where required. The Contractor and the Owner will be named as additional insureds on the general liability policy for ongoing and completed operations on a primary and non-contributory basis, with a waiver of subrogation where permitted. Coverage will be maintained through completion and for [COMPLETED OPERATIONS PERIOD, e.g., the applicable statute of repose]. If required, the Subcontractor will furnish performance and payment bonds in the amount of [BOND AMOUNT] from a surety acceptable to the Contractor, the cost of which is [INCLUDED IN / IN ADDITION TO] the Subcontract Price.

10. 10. Independent Contractor Status and Labor Compliance

The Subcontractor is an independent contractor and not an employee, agent, partner, or joint venturer of the Contractor. The Subcontractor controls the manner, methods, sequence, and personnel used to perform the Subcontract Work, subject only to the schedule, safety, and quality requirements of this Subcontract. The Subcontractor is solely responsible for the wages, benefits, payroll taxes, unemployment insurance, and workers compensation coverage of its own personnel, and will not treat any worker as an employee of the Contractor for any purpose. The Subcontractor will comply with all applicable wage, hour, immigration verification, and prevailing wage or certified payroll requirements that apply to the Project, and will indemnify the Contractor for penalties arising from its noncompliance. Neither Party may bind the other to any third-party obligation.

11. 11. Warranty, Defective Work, and Backcharges

The Subcontractor warrants that the Subcontract Work will conform to the Contract Documents, will be free from defects in workmanship and materials, and will be performed by properly licensed and trained personnel. The warranty period is [WARRANTY PERIOD, e.g., one year] from the date the Contractor achieves substantial completion of the Project, or any longer period required by the Prime Contract or by the manufacturer of installed products. The Subcontractor will respond to a written warranty call within [WARRANTY RESPONSE PERIOD, e.g., 5 days] and complete the corrective work promptly. If the Subcontractor fails to correct defective work, to clean up, or to meet the schedule after written notice and a reasonable opportunity to cure, the Contractor may perform the work with its own forces or others and backcharge the Subcontractor for documented actual costs plus [BACKCHARGE MARKUP PERCENTAGE]; the Contractor will provide written notice and supporting documentation of any backcharge before deducting it from a payment.

12. 12. Indemnification

To the fullest extent permitted by applicable law, the Subcontractor will defend, indemnify, and hold harmless the Contractor, the Owner, and their officers, employees, and agents from claims, damages, losses, and expenses, including reasonable attorney fees, arising out of or resulting from performance of the Subcontract Work, but only to the extent caused by the negligent acts or omissions of the Subcontractor, its lower tiers, or anyone for whose acts they are liable. This obligation does not extend to liability caused by the sole negligence or willful misconduct of the indemnified party, and applies only to the extent permitted by the anti-indemnity statutes of the state where the Project is located. This obligation is not limited by the amount or type of insurance carried by the Subcontractor, and it survives completion of the Subcontract Work.

13. 13. Suspension, Termination, and Dispute Resolution

The Contractor may suspend the Subcontract Work on written notice, and the Subcontract Price and schedule will be adjusted for the reasonable documented cost of a suspension not caused by the Subcontractor. The Contractor may terminate this Subcontract for default if the Subcontractor fails to supply enough properly skilled workers or materials, disregards laws or the safety program, fails to pay its lower tiers, or otherwise materially breaches, and does not cure within [CURE PERIOD, e.g., 3 business days] after written notice; in that event the Contractor may complete the Subcontract Work and charge the excess cost to the Subcontractor. The Contractor may also terminate for convenience, paying for work performed, materials ordered, and reasonable demobilization costs. This Subcontract is governed by the laws of the state where the Project is located. Disputes will be resolved first by direct negotiation between principals, then by mediation in [MEDIATION LOCATION], and finally by [ARBITRATION UNDER [ARBITRATION RULES] / LITIGATION IN [VENUE COUNTY AND STATE]]; where a dispute also involves the Owner, the Subcontractor will participate in the dispute procedure of the Prime Contract.

14. 14. Signatures

By signing below, each Party acknowledges that it has read this Subcontract and the Contract Documents referenced in it, understands them, and agrees to be bound as of the Effective Date. CONTRACTOR: [CONTRACTOR NAME]. Signature: _____. Printed Name: [CONTRACTOR SIGNER NAME]. Title: [TITLE]. License Number: [CONTRACTOR LICENSE NUMBER]. Date: [DATE]. SUBCONTRACTOR: [SUBCONTRACTOR NAME]. Signature: _____. Printed Name: [SUBCONTRACTOR SIGNER NAME]. Title: [TITLE]. License Number: [SUBCONTRACTOR LICENSE NUMBER]. Date: [DATE]. This Subcontract may be executed in counterparts, and electronic signatures have the same effect as originals.

15. Disclaimer

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