[Your company name]
[Street address] · [City, State ZIP]
[Phone] · [Email] · [Website]
License # [License #]

Subcontractor agreement

Agreement # _____

Date _____

Before you use this agreement

This template is a starting point, not legal advice. Rules on payment timing, retainage, lien rights, indemnity, insurance and worker classification differ by state and change over time. Check your state's rules at echops.com/licensing and have a local attorney review this agreement before you use it.

1. The parties

Contractor _____ License # _____

Address _____ Phone / email _____

Subcontractor _____ License # _____

Address _____ Phone / email _____

In this agreement, "Contractor" means the company hiring the subcontractor and "Subcontractor" means the company or person doing the work described below.

2. The project

Project _____ Job # _____

Project address _____

Owner _____ Owner contract date _____

Contractor has a contract with the owner for this project. Subcontractor will do its work so that Contractor can meet that contract. The parts of it that apply to Subcontractor's work are attached or listed here:

List the owner-contract sections that apply, or write "See attached"

3. Scope of work

Subcontractor will furnish the labor, materials, equipment and supervision to complete this work (the "Work"):

Trade and work included. Be specific: areas, quantities, materials, and who supplies what

Attached and part of this agreement:

- ☐ Scope of work dated _____
- ☐ Plans or drawings dated _____
- ☐ Specifications or selections
- ☐ Other: _____

Not included: list exclusions, or write "None"

4. Price

- ☐ **Fixed price:** $ _____ for all of the Work
- ☐ **Unit prices:** as listed in the attached price list or schedule of values
- ☐ **Time and materials:** $ _____ per hour, plus materials at cost plus _____%, not to exceed $ _____

5. Payment terms

PAYMENT	DUE WHEN	AMOUNT
Progress payment		
Progress payment		
Progress payment		
Final payment	When the Work is complete and accepted	

Subcontractor will send an invoice for each payment. Contractor will pay approved invoices within _____ days after _____. Contractor will hold back _____% of each payment (retainage) until _____.

Some states limit retainage, set deadlines for paying subcontractors, or restrict clauses that make payment depend on the owner paying Contractor first. Check your state's rules before you fill in this section.

Lien waivers. With each payment request, Subcontractor will give Contractor a conditional lien waiver for the amount requested and, once paid, an unconditional waiver for that payment. With the final payment request, Subcontractor will give a conditional final waiver and, once paid, an unconditional final waiver. When Contractor asks, Subcontractor will also provide waivers from its own suppliers and subcontractors. Where a state requires its own waiver forms, those forms are used.

6. Schedule

Start date _____ Completion date _____

Subcontractor will start and finish the Work on these dates, follow Contractor's project schedule, and attend coordination meetings when asked. Subcontractor will tell Contractor in writing right away about any delay, its cause and how long it is expected to last. Delays neither party controls, such as severe weather, late inspections or owner changes, extend the schedule by agreement in writing.

7. Change orders

Any change to the Work, the price or the schedule must be agreed in a written change order signed by both parties before the changed work starts. Each change order describes the change, its price (added or credited) and any change to the schedule. Contractor does not pay for extra work done without a signed change order. A verbal request is not a change order.

8. Insurance

Before starting work, Subcontractor will give Contractor certificates of insurance showing at least this coverage:

COVERAGE	MINIMUM LIMIT	NOTES
General liability		Contractor named as additional insured
Commercial auto liability		
Workers' compensation	As required by law	
Other		

Subcontractor will keep this insurance in force until the Work is complete and will tell Contractor right away if any policy is canceled or changed.

9. Safety

Subcontractor is responsible for the safety of its own workers and work area. Subcontractor will follow all safety laws and rules that apply, including OSHA rules, Contractor's site safety rules and any owner site rules; give its workers the training and protective equipment their tasks need; and report any injury, incident or unsafe condition to Contractor the same day.

10. Licenses, permits and codes

Subcontractor will hold and keep current every license its trade requires where the project is located, and will do the Work to the codes that apply.

Trade permits for the Work will be obtained by: ☐ Subcontractor ☐ Contractor ☐ Not required

11. Quality and warranty

Subcontractor will do the Work in a good and workmanlike manner with new materials, unless the scope says otherwise. Subcontractor warrants the Work against defects in workmanship and materials for _____ from _____, and will fix any defect promptly after written notice, at no cost to Contractor. Manufacturer warranties pass through to the owner.

12. Cleanup and protection

Subcontractor will protect finished work and the owner's property, keep its work area clean, and remove its own debris _____. If Subcontractor does not, Contractor may do it after written notice and deduct the reasonable cost.

13. Indemnity

Who is responsible for claims, injuries and damage caused by each party's work. Many states limit indemnity clauses in construction contracts. Have your attorney write this section.

14. Independent contractor

Subcontractor is an independent contractor, not an employee, partner or agent of Contractor. Subcontractor decides how to do the Work and controls its own workers, tools and methods, within the scope, schedule and site rules. Subcontractor pays its own workers and is responsible for their wages, benefits, payroll taxes and workers' compensation. Subcontractor will give Contractor a completed IRS Form W-9 before the first payment.

Whether a worker counts as an independent contractor depends on how the work is actually done, not only on what this agreement says. Federal and state tests differ.

15. Termination

Either party may end this agreement by written notice if the other party seriously breaks it and does not fix the problem within _____ days after receiving written notice. Contractor may also end it for any reason with _____ days' written notice. Either way, Contractor will pay for Work properly done and materials delivered to the site up to the date it ends, less payments already made and any cost caused by Subcontractor's breach.

16. Disputes

How disputes will be handled, for example direct talks, then mediation, then arbitration or court in a named county and state. Have your attorney write this section.

17. Entire agreement

This agreement and its attachments are the whole agreement between Contractor and Subcontractor for the Work. Any change must be in writing and signed by both. Subcontractor may not assign this agreement or subcontract the Work to others without Contractor's written consent. If any part of this agreement is found unenforceable, the rest stays in effect.

Contractor

Signature

Printed name and title

Date

Subcontractor

Signature

Printed name and title

Date