

Second Details of the Sub-Contract are as follows:

Description of the Sub-Contract Works

Pricing Documents ²

Further documents forming part of this Sub-Contract

Third This Sub-Contract is supplement by the Framework Agreement(s) identified below ³

Fourth The supplemental Sub-Contract Provisions set out in the Schedule and identified below apply:

(Where neither entry against an item below is deleted, the relevant paragraph of the Schedule applies.)

Collaborative working *Paragraph 1 applies/does not apply

Health and Safety *Paragraph 2 applies/does not apply

Cost savings and value improvements *Paragraph 3 applies/does not apply

Sustainable development and environmental Considerations *Paragraph 4 applies/ does not apply

Performance Indicators and monitoring *Paragraph 5 applies/ does not apply

Notification and negotiation of disputes *Paragraph 6 applies/ does not apply

² State any documents which show the rates and prices for the Sub-Contract works

³ State date, title and parties of any Framework Agreement(s) that apply to this Sub-Contract – see the Guidance Notes. Delete the third Recital if not applicable

Articles

Now it is hereby agreed as follows

Article 1: Sub-Contract Sum

The Contractor shall pay to the Sub-Contractor for the Sub-Contract Works the sum of £ _____ or such other sum as shall become payable in accordance with the Sub-Contract documents ('the Sub-Contract Sum') plus, if applicable, VAT.

Article 2: Date for commencement

The date for commencement of the Sub-Contract Works on site will be between _____ and _____.

Article 3: Period for Completion

The period for completion of the Sub-Contract Works will be _____⁴ ('the Period for Completion')

Article 4: Adjudication

If any dispute or difference arises under this Sub-Contract, either Party may refer it to adjudication in accordance with Clause 16.2.

Article 5: Arbitration

Arbitration applies/~~does not apply~~⁵

Where arbitration applies, then, subject to Article 4, any dispute or difference between the Parties arising out of or in connection with this Sub-Contract, except in connection with the enforcement of any decision of an adjudicator, shall be referred to arbitration in accordance with Clause 16.3.

Article 6: Legal proceedings

Subject to Article 4 and (where it applies) to Article 5, the English courts shall have jurisdiction over any dispute or difference between the Parties which arises out of or in connection with this Sub-Contract.

⁴ The period inserted must take into account the planning and preparation period as referred to in regulation 13(3) of the CDM Regulations.

⁵ Delete as appropriate. If disputes or differences are to be determined by arbitration and not by legal proceedings, the words "does not apply" **must** be deleted. If neither entry is deleted Article 5 will not apply.

Attestation

Execution under hand

As witness

The hands of the Parties
Or their duly authorised representatives

Signed by or on behalf of the
Contractor

In the presence of:

Witness' signature

Witness' name

Witness' address

Signed by or on behalf of the
Sub-Contractor

In the presence of:

Witness' signature

Witness' name

Witness' address

Note on Execution

Execution under hand

Each Party or his authorised representative should sign where indicated in the presence of a witness who should then sign and set out his name and address.

CONDITIONS

Definitions

- 1 Unless the context otherwise requires or the Agreement or these Conditions specifically provide otherwise, the following words and phrases, where they appear in capitalized form in the Agreement or these Conditions, shall have the meanings stated below:

Word or phrase	Meaning
Agreement:	the Articles of Agreement to which these Conditions are annexed, consisting of the Recitals and the Articles
CDM Regulations:	the Construction (Design and Management) Regulations 2007, as they apply to the Main Contract Works and the Site.
Conditions:	clauses 1 to 16 of these Conditions, together with and including the Schedule hereto.
Insolvent:	insolvent, within the meaning of section 113 of the Housing Grants, Construction and Regeneration Act 1996.
Pricing Documents:	any document(s) identified in the Second Recital , showing rates and prices.
Site:	the place where the Main Contract Works are to be carried out.
Sub-Contract Documents:	this form of sub-contract together with any other documents identified in the Second Recital .
Sub-Contract Works:	the works briefly described in the Second Recital , as varied (where applicable under clause 10).

Reckoning periods of days

- 2 Where under this Sub-Contract an act is required to be done within a specified period of days after or from a specified date, the period shall begin immediately after that date. Where the period would include Christmas Day, Good Friday or a day which under the Banking and Financial Dealings Act 1971 is a bank holiday that day shall be excluded.

Contracts (Rights of Third Parties) Act 1999

- 3 Nothing in this Sub-Contract confers or is intended to confer any right to enforce any of its terms on any person who is not a party to it.

Giving or service of notices and other documents

- 4 .1 A notice or other document may be served by any effective means.
- .2 A notice or other document shall be treated as effectively served if it is addressed, pre-paid and delivered by post:
- .1 to the addressee's last known principal residence, or, if he is or has been carrying on a trade or business, his last known principal business address; or
 - .2 where the addressee is a body corporate, to the body's registered or principal office.

Sub-Contractor's obligations

- 5 .1 The Sub-Contractor shall carry out and complete the Sub-Contract Works in accordance with the Sub-Contract Documents, with due diligence and in a good and workmanlike manner
- .2 The Sub-Contractor shall provide goods and materials of the standard stated in the Sub-Contract Documents, or where no standard is so stated, of a satisfactory quality.
- .3 The Sub-Contractor shall take all reasonable steps to encourage employees and agents of the Sub-Contractor and his sub-contractors employed in the execution of the Sub-Contract Works to be registered cardholders under the Construction Skills Certification Scheme (CSCS) or qualified under an equivalent recognized qualification scheme.
- .4 The Sub-Contractor shall provide everything required to carry out and complete the Sub-Contract Works except for the attendances set out in the Sub-Contract Documents which the Contractor shall provide free of charge to the Sub-Contractor.
- .5 The Sub-Contractor shall not make any assignment of the benefit of this Sub-Contract nor sub-contract of any of the Sub-Contract works, without the Contractor's written consent.
- .6 The Sub-Contractor shall comply with, and give all notices required by, any statute, any statutory instrument, rule or order or any regulation or bye-law applicable to the Sub-Contract Works (including the CDM Regulations) and pay all fees and charges in respect of the Sub-Contract Works to the extent that they are so required to do by the Sub-Contract Documents.

Contractors obligations

- 6 The Contractor shall comply with the CDM Regulations, shall provide sufficient access to the Site for the Sub-Contractor to perform his obligations under this Sub-Contract and shall in no way hinder or prevent the Sub-Contractor, whether by act or omission, from performing such obligations.

Main Contract

- 7 .1 The Sub-Contractor shall be deemed to know the provisions of the Main Contract insofar as they apply to the Sub-Contract Works (other than details of the Contractor's pricing). The Contractor shall, if so requested by the Sub-Contractor, provide to the Sub-Contractor a copy of the Main Contract (omitting details of the contractor's pricing).
- .2 The Sub-Contractor shall carry out and complete the Sub-Contract Works so that no act or omission of the Sub-Contractor shall result in any breach of contract by the Contractor.
- .3 The Sub-Contractor shall perform the obligations and assume the liabilities of the Sub-Contractor under the Main Contract to the extent that such obligations and liabilities relate to the Sub-Contract Works.

Commencement and completion

- 8 .1 The Sub-Contractor shall commence the Sub-Contract Works on Site within 14 days of receipt of the Contractor's written direction to commence the Sub-Contract Works.
- .2 Subject to the provisions of clause 11, the Sub-Contractor shall:
- .1 proceed with the Sub-Contract Works regularly and diligently and reasonably in accordance with the progress of the Main Contract Works; and
- .2 achieve practical completion of the Sub-Contract Works within the Period for Completion.
- .3 The Contractor shall determine and notify the Sub-Contractor in writing of the date when the Sub-Contract Works are practically complete.
- .4 The Contractor shall notify the Sub-Contractor of any defects that appear in the Sub-Contract Works during the defects liability period of the Main Contract Works and the Sub-Contractor shall, at the Sub-Contractor's expense, make good such defects within a reasonable time from notifications.

Contractor's directions

- 9 .1 The Contractor may issue written directions which the Sub-Contractor shall forthwith carry out.
- .2 If directions are given orally, they shall, within 2 working days, be confirmed in writing by the contractor.
- .3 Except as provided in clause 10, the Sub-Contractor shall not be entitled to any additional payment in respect of the Contractor's directions.
- .4 If within 7 days after receipt of a written notice from the contractor requiring compliance with a direction, the Sub-Contractor does not comply, then the Contractor may employ and pay other persons to carry out the work and all additional costs incurred shall be due to the Contractor.

Variations

- 10 .1 The Sub-Contractor shall carry out any reasonable variation of the Sub-Contract Works that is directed in writing by the Contractor ('Variation')
- 2 Variations shall be valued by the Contractor on a fair and reasonable basis, with reference to , where available and relevant, rates and prices in the Pricing Documents.
- .3 The Sub-Contractor shall be paid any direct loss and/or expense incurred by the Sub-Contractor due to the regular progress of the Sub-Contract Works being affected by compliance with any Variation, provided that the Sub-Contractor notifies the Contractor of such as soon as is reasonably practicable. The Contractor shall determine the fair and reasonable amount of that direct loss and/or expense.
- .4 The Sub-Contractor shall not make any alteration to the Sub-Contract Works, other than pursuant to clause 10.1.

Extension of time

- 11 .1 If the Sub-Contractor is delayed in completing the Sub-Contract Works within the Period for Completion by the ordering of any Variation of the Sub-Contract Works or for other reasons beyond the control of the Sub-Contractor, the Sub-Contractor shall notify the Contractor in Writing. The Contractor shall make such extension of time (if any) as is reasonable.
- .2 The Sub-Contractor shall constantly use his best endeavours to prevent or minimise any delay in the progress of the whole or any part of the Sub-Contract Works.
- .3 Should the works be delayed by no fault other than that of the subcontractor, then damages of £ 500 per week will be deducted from the subcontractors account for each week that project is delayed.

Payment

- 12
- .1 An interim payment shall be due to the Sub-Contractor not later than one month after commencement of the Sub-Contract Works on Site and monthly after that. All applications are to be the last working day of each month. Applications are to be submitted 5 working days prior to the end of the month, but are to include works forecasted to be completed within the relevant month.
 - .2 The Contractor shall determine and give a written notice to the Sub-Contractor not later than 5 days after the date on which a payment becomes due which shall specify the amount (if any) of the payment to be made and the basis on which that amount was calculated. The final date for payment is 25 days after payment becomes due.
 - .3 The amount of an interim payment shall be deducted 5% for retention, as set out in the Sub-Contract Documents, of the value of work properly carried out by the Sub-Contractor, determined in accordance with the rates and prices as specified in the Pricing Documents or by reference to the Sub-Contract Sum if there are no rates and prices together with any amount ascertained under clause 10.3, less the total amount due in any previous payments.
 - .4 30 days after practical completion of the Sub-Contract Works, as notified under clause 8.3, the first 2.5% of retention monies, or such different percentage as set out in the Sub-Contract Documents, of the Sub-Contract Sum less the total amount due in previous interim payments shall be due to the Sub-Contractor.
 - .5 The Contractor shall notify the Sub-Contractor in writing as soon as reasonably practicable of the date of practical completion and of the date of the expiry of the defects liability period under the Main Contract.
 - .6 days after the date of the expiry of the defects liability period under the Main Contract, if there are then no defects in the Sub-Contract Works or, if there are such defects at that date, 30 days after the date of completion of making good those defects, the total Sub-Contract Sum less the total amounts due in previous interim payments shall be due to the Sub-Contractor.
 - .7 Subject to clause 12.8, the Contractor shall be entitled to withhold payment of all or part of any sums otherwise due where a sum is due from the Sub-Contractor to the Contractor under this Sub-Contract.
 - .8 The Contractor shall give notice to the Sub-Contractor of his intention to withhold any payment after the final date for payment. The notice shall be served no later than 5 days before the final date for payment and shall specify the amount proposed to be withheld and the ground for withholding payment or if there is more than one ground, each ground and the amount attributable to it.
 - .9 In the event of the Contractor failing to pay any sum due to the Sub-Contractor by the final date for payment, the Contractor shall pay the Sub-Contractor interest on such overdue sum at the rate of 2% per annum above the official dealing rate of the Bank of England at the final date for payment.

Suspension

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- If the Contractor fails to pay the sum due to the Sub-Contractor by the final date for payment, and no notice of intention to withhold has been served under clause 12.8, then the Sub-Contractor may give a written notice of his intention to suspend the performance of his obligations under this Sub-Contract. If the Contractor's failure to make payment continues for 7 days after the giving of such notice, then the Sub-Contractor may suspend such performance until payment in full occurs.

Termination – breach or insolvency

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- Each party ('the terminating party') shall be entitled by written notice to the other Party to terminate the Sub-Contractor's employment under this Sub-Contract forthwith if the other Party at any time:
- .1 is in material breach of his obligations under this Sub-Contract which he fails to rectify within 7 days of a written warning from the terminating Party specifying the breach and requiring that it be remedied within that period; or
 - .2 is insolvent.

In the event of such termination the Sub-Contractor shall immediately leave the Site and the terminating Party shall be entitled to recover from the Party the amount of any resultant loss, damage and/or expense incurred by the terminating Party which he would have incurred had this Sub-Contract been duly performed in full.

Termination of the Main Contract

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- .1 If the Contractor's employment under the Main Contract is terminated, the Sub-Contractor's employment under this Sub-Contract shall thereupon terminate and the Contractor shall immediately notify the Sub-Contractor. The Sub-Contractor shall immediately leave the Site.
 - .2.1 If the Contractor's employment under the Main Contract is terminated for any reason other than on consequence of any breach of this Sub-Contract by the Sub-Contractor, the Sub-Contractor shall be entitled to be paid the value of the Sub-Contract Works properly carried out and the reasonable cost of removal from the Site, less sums already paid. Except as provided for in clause 15.2.2 the Sub-Contractor shall not be entitled to loss of profit.
 - .2.2 In addition to any sums payable under clause 15.2.1, the Sub-Contractor shall be entitled to be paid any direct loss and/or damage caused to the Sub-Contractor as a result of the termination of the Contractor's employment under the Main Contract that arises because of the Contractor's insolvency or the Contractor having an administrator or administrative receiver appointed or having a winding-up order or the like made against the Contractor or because of the Contractor's default (other than in consequence of any breach of this Sub-Contract by the Sub-Contractor)

Settlement of disputes

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- .1 Subject to Article 4, if a dispute or difference arises under this Sub-Contract which cannot be resolved by direct negotiations, each Party shall give serious consideration to any request by the other to refer the matter to mediation.
 - .2 Either party may at any time refer any dispute or difference arising under this Sub-Contract to adjudication in accordance with the provisions of Part 1 of the Schedule to The Scheme for Construction Contracts (England and Wales) Regulations 1998 except that the adjudicator nominating body shall be:

Royal institute of British Architects;
The Royal Institution of Chartered Surveyors;
Construction Federation;
National Specialist Contractors Council Limited; or
Chartered Institute of Arbitrators
As selected by the referring Party.
 - .3 Where disputes or differences are to be referred to arbitration pursuant to Article 5, then:
 - .1 a Party referring a dispute or difference to arbitration shall serve on the other Party a notice of arbitration to such effect;
 - .2 the date on which the notice of arbitration is served shall be regarded as the date on which the arbitral proceedings are commenced;
 - .3 the arbitrator shall be an individual agreed by the Parties within 14 days of the date of service of the notice of arbitration or, in the absence of agreement within that period, appointed by the President or a Vice –President of the Chartered Institute of Arbitrators.
 - .4 the arbitration shall be conducted in accordance with the JCT edition of the Construction Industry Model Arbitration Rules (CIMAR) applicable to the Main Contract.

SUPPLEMENTAL SUB-CONTRACT PROVISIONS

Each provision applies unless otherwise stated in the Fourth Recital

Collaborative Working

- 1 The parties shall work with each other and with other project team members in a co-operative and collaborative manner, in good faith and in a spirit of trust and respect. To that end, each shall support collaborative behaviour and address behaviour which is not collaborative.

Health and safety

- 2 .1 Without limiting either Party's statutory and/or regulatory duties and responsibilities and/or the specific health and safety requirements of this Sub-Contract, the Parties will endeavour to establish and maintain a culture and working environment in which health and safety is of paramount concern to everybody involved with the project.
- .2 In addition to the specific health and safety requirements of this Sub-Contract, the Sub-Contractor undertakes to:
- .1 comply with any and all approved codes of practice produced or promulgated by the Health and Safety Executive and/or the Health and Safety Commission;
 - .2 ensure that all personnel engaged by the Sub-Contractor and members of the Sub-Contractor's supply chain on site receive appropriate site specific health and safety induction training and regular refresher training;
 - .3 ensure that all such personnel have access at all times to competent health and safety advice in accordance with regulation 7 of the Management of Health and Safety at Work Regulations 1999; and
 - .4 ensure that there is full and proper health and safety consultation with all such personnel in accordance with the Health and Safety (Consultation and Employees) Regulations 1996.

Cost savings and value improvements

- 3 .1 The Sub-Contractor is encouraged to propose changes to designs and specifications for the Sub-Contract Works and /or to the programme for their execution that may benefit the Contractor and/or the Employer, whether in the form of a reduction in the cost of the Main Contract Works or their associated life cycle costs, through practical completion at a date earlier than the date for completion of the Mains Contract Works or otherwise.
- .2 The Sub-Contractor shall provide details of his proposed changes, identifying them as suggested under this paragraph 3, together with his assessment of the benefit he believes the Employer may obtain, expressed in financial terms, and a quotation.
- .3 Where the Employer wishes to implement a change proposed by the Sub-Contractor, the Employer Contractor and Sub-Contractor shall negotiate with a view to agreeing its value, the financial benefit and any adjustment to time. Upon agreement, the change and the amount of any adjustment of the Sub-Contract Sum shall be confirmed in a direction, together with the share of the financial benefit to be paid to the Sub-Contractor and any adjustment to the period(s) for completion.
- .4 Original proposals by the Sub-Contractor under this paragraph 3 may only be directed by the Contractor in accordance with it, provided always that nothing shall prevent the Employer from utilising other contractors to implement such changes after practical completion of the Main Contract Works.

Sustainable development and environmental considerations

- 4 .1 The Sub-Contractor is encouraged to economically viable amendments to the works which, if directed as a Variation, may result in an improvement in environmental performance in the carrying out of the works or of the completed works.
- .2 The Sub-Contractor shall provide to the Contractor all information that he reasonably requests regarding the environmental impact of the supply and use of the materials and goods which the Sub-Contractor selects.

Performance indicators

- 5 .1 The Contractor shall monitor and assess the Sub-Contractor's performance by reference to any performance indicators stated or identified in the Sub-Contract Documents.
- .2 The Sub-Contractor shall provide to the Contractor all information that he may reasonably require to monitor and assess the Sub-Contractor's performance against the targets for those performance indicators.
- .3 Where the Contractor considers that a target for any of this performance indicators may not be met, he may inform the Sub-Contractor who shall submit his proposals for improving his performance against that target to the Contractor.

Notification and negotiation of disputes

- 6 With a view to avoidance or early resolution of disputes or differences (subject to Article 4), each Party shall promptly notify the other of any matter that appears likely to give rise to a dispute or difference.