



**READIE**

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# STANDARD CONDITIONS OF SUB-CONTRACT WORKS

Readie Construction Ltd  
Policy Statement - Apr 2023

## READIE CONSTRUCTION LTD - STANDARD CONDITIONS OF SUB-CONTRACT WORKS

### **1** **DEFINITIONS**

- 1.1 In these Conditions of Sub-Contract the following words and phrases shall have the precise meanings set out below:
- 1.1.1 "the Contractor" means Readie Construction Ltd;
- 1.1.2 "the Contract" means the contract entered or to be entered into by the Contractor with the Employer pursuant to which the Contractor is or will be required to carry out and complete the Works;
- 1.1.3 "the Contract Documents" means the Contract, the Contract Conditions, and the documents (if any) stated in the Order, the Contract or the Contract Conditions specifying the purpose, scope and/or design and/or other technical criteria for the Works;
- 1.1.4 "the Contract Conditions" means the terms and/or conditions pursuant to which the Contractor is or will be bound to carry out and complete the Works;
- 1.1.5 "the Defect Correction Period" means the period stated in the Order during which the Sub-Contractor shall make good at its own cost all defects, shrinkages or other faults in the Sub-Contract Works;
- 1.1.6 "the Employer" means the party with whom the Contractor has entered or intends to enter into a contract for the carrying out and completion of the Works;
- 1.1.7 "the Materials" shall mean the materials and/or goods procured by the Sub-Contractor and brought onto Site by or on behalf of the Sub-Contractor for incorporation into the Sub-Contract Works;
- 1.1.8 "the Order" means the order appended to these Conditions of Sub-Contract;
- 1.1.9 "the Site" means the place or location stated in the Order;
- 1.1.10 "the Sub-Contract" means the agreement between the Contractor and the Sub-Contract Documents but excluding any terms and conditions of contract referred to in any written acknowledgement given by the Sub-Contractor;
- 1.1.11 "the Sub-Contractor" means the company, partnership or individual with whom the Contractor has contracted for the carrying out and completion of the Sub-Contract Works;
- 1.1.12 "the Sub-Contract Documents" means the Order, these Conditions of Sub-Contract and any documents referred to in the Order and in these Conditions of Sub-Contract;
- 1.1.13 "the Sub-Contract Sum" means the price stated in the Order, including any adjustments (if any) pursuant to these Conditions of Sub-Contract, for which the Sub-Contractor has agreed to perform the Sub-Contract Works;
- 1.1.14 "the Sub-Contract Works" means the works to be executed and/or the Materials to be supplied and delivered to Site by the Sub-Contractor described in the Sub-Contract Documents;
- 1.1.15 "the Works" means the works to be undertaken by the Contractor pursuant to the Contract;
- 1.1.16 "Day" means a calendar day;
- 1.1.17 "Variation" means any change to the scope, extent and/or nature of the Sub-Contract Works which is instructed or approved by the Contractor as a variation under clause 12; and
- 1.1.18 "Week" means a period of 7 calendar days.
- 1.2 These Conditions of Sub-Contract shall form the basis of the Sub-Contract. The Sub-Contractor shall not later than 7 days of its receipt of the Order confirm in writing to the Contractor its acceptance of the Order and these Conditions of Sub-Contract. Any performance or partial performance by the Sub-Contractor of any of its obligations under the Order shall constitute acceptance of the Order and these Conditions of Sub-Contract.

- 1.3 Unless any other terms and/or conditions are expressly accepted by the Contractor in writing and appended to or referred to in the Order they shall be deemed to be excluded from the Sub-Contract. Where such other terms and conditions are so expressly accepted and included in the Sub-Contract but they conflict with these Conditions of Sub-Contract, these Conditions of Sub-Contract shall take precedence.

## **2 SUB-CONTRACTOR'S OBLIGATIONS**

- 2.1 The Sub-Contractor confirms that it has had the opportunity of examining the Site and information relating to the Site and in particular the areas of the Site in which the Sub-Contract Works are to be undertaken. The Sub-Contractor confirms that it has made due allowance within the Sub-Contract Sum for all site conditions and interface with preceding and following trades, working space, storage space for Materials and the means of vehicular ingress upon and egress from the Site and that it shall not make any claim for an extension of time and/or for an adjustment to the Sub-Contract Sum for any circumstances which a reasonably experienced contractor ought to have foreseen by undertaking reasonable investigations, inspections and/or enquiries prior to offering to carry out and complete the Sub-Contract Works for the Sub-Contract Sum.
- 2.2 The Sub-Contractor agrees to carry out the Sub-Contract Works in accordance with the Order, these Conditions of Sub-Contract, the Sub-Contract Documents and the provisions of the Contract and the Contract Documents (if any and insofar as they relate to the Sub-Contract Works), and in accordance with instructions issued from time to time by the Contractor. The Sub-Contractor hereby acknowledges that it has had full opportunity to inspect the Contract Conditions and the Contract Documents and has included for such in the Sub-Contract Sum. The Sub-Contractor agrees to be bound to observe and perform in every respect the obligations, duties, conditions and covenants to be observed and performed by the Contractor under the Contract (but only insofar as they relate to the Sub-Contract Works).
- 2.3 Any drawings, calculations, samples or builder's work details to be prepared by the Sub-Contractor shall be submitted to the Contractor in good time to enable the Contractor to obtain the necessary approval or acceptance thereof from the Employer and to enable the Sub-Contract Works to proceed in accordance with the dates for commencement and completion of the Sub-Contract Works stated in the Order and/or shown in the Contractor's Programme.
- 2.4 Any approval or acceptance by the Contractor of any drawing, calculation, sample or builder's work detail prepared by the Sub-Contractor shall not (insofar as the Sub-Contractor is responsible for design), relieve the Sub-Contractor from any liability for the design of the Sub-Contract Works.
- 2.5 To the extent that the Sub-Contractor is not responsible for the design of the Sub-Contract Works, or any part thereof, the Sub-Contractor shall apply to the Contractor in good time for all drawings, details or other information and where applicable materials necessary to enable the Sub-Contractor to perform the Sub-Contract Works in accordance with the dates for commencement and completion of the Sub-Contract Works stated in the Order and/or in the Contractor's Programme.
- 2.6 The Sub-Contractor shall provide:
- 2.6.1 all labour (skilled and unskilled)\*;
  - 2.6.2 all materials\*;
  - 2.6.3 all plant\*;
  - 2.6.4 all temporary works\*;
  - 2.6.5 all supervision\*; and
  - 2.6.6 all tools and equipment\*
- for the proper execution of the Sub-Contract Works, and will maintain the Sub-Contract Works in good order and condition until they are practically completed. On practical completion the Sub-Contractor shall forthwith remove from site all plant and surplus materials, but the Sub-Contractor shall be responsible for protection of the Sub-Contract Works until completion of the Works under the Contract.
- \*Insofar as is detailed in the description of the Sub-Contract Works in the Order.
- 2.7 The Sub-Contractor shall be responsible at its own cost for the removal to parts of the Site designated by the Contractor any waste or rubbish arising from carrying out and/or completing the Sub-Contract Works.



### **3 PRIORITY OF DOCUMENTS**

- 3.1 In the event of any conflict between the Order, the Sub-Contract Documents, these Conditions of Sub-Contract and the Contract Conditions, the order of priority of documents shall be as follows:
- 3.1.1 the Order;
  - 3.1.2 these Conditions of Sub-Contract;
  - 3.1.3 the remaining Sub-Contract Documents;
  - 3.1.4 the Contract Conditions; and
  - 3.1.5 the remaining Contract Documents.
- 3.2 If the Sub-Contractor becomes aware of any discrepancy or divergence between or within the Sub-Contract Documents, the Contract Documents and any instruction or direction issued by the Contractor he shall immediately give notice to the Contractor who shall issue directions in that regard. Compliance with any such direction shall not be treated as a Variation and the Sub-Contractor shall not be entitled to an increase to the Sub-Contract Price or to an extension time.
- 3.3 If the Contractor becomes aware of any discrepancy or divergence between or within the Sub-Contract Documents, the Contract Documents and any instruction or direction issued by the Contractor he shall immediately give notice to the Sub-Contractor and issue directions in that regard. Compliance with any such direction shall not be treated as a Variation and the Sub-Contractor shall not be entitled to an increase to the Sub-Contract Price or to an extension of time.

### **4 STANDARDS OF WORKMANSHIP AND MATERIALS**

- 4.1 The Sub-Contractor shall carry out and complete the Sub-Contract Works with due diligence and in a good and workmanlike manner and carry out and complete the Sub-Contract Works in accordance with the Sub-Contract Documents and, insofar as they relate to the Sub-Contract Works, the Contract Documents, using materials and workmanship of the quality and standard therein specified.
- 4.2 Insofar as the Sub-Contractor is designing any part of the Sub-Contract Works it shall carry out and complete the design using all the reasonable skill care and diligence of an appropriately qualified designer experienced in carrying out works of a similar size, scope and complexity as the Sub-Contract Works.

### **5 QUALITY OF GOODS SUPPLIED AND DELIVERED**

- 5.1 It is a condition of the Sub-Contract that any Materials supplied and delivered to Site by the Sub-Contractor for incorporation into the Sub-Contract Works shall:
- 5.1.1 correspond as to description, quality and condition with any particulars stated or referred to in the Order;
  - 5.1.2 conform with any sample, drawing or design approved in writing or supplied by the Contractor;
  - 5.1.3 be of sound materials and workmanship;
  - 5.1.4 meet any standard or inspection or performance stated or referred to in the Sub-Contract Documents or in the Contract Documents referred to in the Order or otherwise communicated by the Contractor to the Sub-Contractor;
  - 5.1.5 be fit for any purpose expressly or impliedly made known to the Sub-Contractor, or otherwise for their ordinary purpose;
  - 5.1.6 where the Materials are required for incorporation into works for which the Contractor is responsible under the Contract, they should be to the satisfaction of the Contractor and any architect/engineer/employer's agent or supervising officer named in the Contract;
  - 5.1.7 where applicable be of equal or greater standard than any appropriate British Standard or European Directive current at the date of the Order.

### **6 PROGRAMMING, COMMENCEMENT AND COMPLETION**

- 6.1 The Sub-Contractor shall commence and complete the Sub-Contract Works on the date(s) stated in the Order and/or on the date(s) in the Contractor's Programme (being any programme that the Contractor at any time provides to the Sub-Contractor) and shall carry out the Sub-Contract Works in accordance with the dates stated in the Order and/or in the Contractor's Programme. The time for completion of the Sub-Contract Works shall be deemed to be time of the essence.
- 6.2 Where detailed sequences and timings are shown on any programmes issued by the Contractor, the Sub-Contractor shall comply with the same. Where a completion date is not stated in the Order and/or in the Contractor's Programme, the Sub-Contractor shall confirm in writing when it accepts the Order and these Conditions of Sub-Contract in accordance with Clause 1.2, when the Sub-Contract Works are to be completed. The Contractor shall, if it considers it reasonable to do so, accept the Sub-Contractor's proposed date for completion in writing within 7 days thereafter. If the Contractor does not confirm so in writing, the proposed date for completion is not deemed to be accepted.
- 6.3 The Contractor may amend by notice in writing to the Sub-Contractor any date stated in the Order and/or in the Contractor's Programme for the commencement and completion of the Sub-Contract Works and such amended date(s) shall be binding on the Sub-Contractor.
- 6.4 The Sub-Contractor shall ensure that where the Sub-Contract Works integrate with the Works, or with the work of another sub-contractor employed by the Contractor, or with any other third party working on Site, the Sub-Contract Works shall be fully co-ordinated with such other works.
- 6.5 Unless otherwise provided for in the Contract Documents, the Sub-Contract Works are to be carried out and completed by the Sub-Contractor to the satisfaction of the Contractor and the Employer (or any architect/engineer/employer's agent or supervising officer named in the Contract).
- 6.6 If the Contractor postpones the date of commencement of the Sub-Contract Works, the Sub-Contractor acknowledges that it shall not be entitled to any loss, damage or expense incurred as a result of such postponement.
- 6.7 If in the opinion of the Contractor the Sub-Contractor fails to maintain reasonable progress in the performance of the Sub-Contract Works the Contractor may, after first giving 7 days' notice in writing to the Sub-Contractor, employ its own labour and/or another contractor to improve the progress of the Sub-Contract Works. The Sub-Contractor will pay or allow to the Contractor all such additional costs and expenses incurred thereby.

## **7 DELAY AND EXTENSION OF TIME**

- 7.1 If and whenever it becomes reasonably apparent or should have become reasonably apparent to the Sub-Contractor that the commencement, progress or completion of the Sub-Contract Works is being, or is likely to be delayed and/or the Sub-Contract Works will not be completed by the date(s) for completion of the same stated in the Order and/or in the Contractor's Programme, the Sub-Contractor shall forthwith give written notice to the Contractor of the material circumstances including, insofar as the Sub-Contractor is able, the cause or causes of the delay.
- 7.2 If the delay is caused by any reason(s) beyond the control of the Sub-Contractor including any act, omission or default of the Contractor which hinders or prevents the Sub-Contractor in the execution of the Sub-Contract Works, or compliance by the Sub-Contractor with a variation instruction issued by the Contractor, the Contractor shall, subject to Clause 7.3, grant in writing to the Sub-Contractor an extension of time by fixing a revised time for the completion of the Sub-Contract Works as the Contractor considers reasonable.
- 7.3 Notwithstanding the provisions of Clause 7.2, save where the Contractor is responsible for the delay by reason of any act, omission or default on its part, the Sub-Contractor shall not be entitled to an extension of time in respect of a delay caused to the Sub-Contract Works which is greater than the extension of time awarded to the Contractor under the Contract for the corresponding delay caused to the Works. It shall be a condition precedent to the Sub-Contractor being granted an extension of time under Clause 7.2 that the Sub-Contractor gives the written notice referred to in Clause 7.1 forthwith upon it becoming reasonably apparent or whenever it should have become reasonably apparent to the Sub-Contractor that the commencement, progress or completion of the Sub-Contract Works is being, or is likely to be delayed and/or the Sub-Contract Works will not be completed by the date(s) for completion of the same stated in the Order and/or in the Contractor's Programme.

## **8 COMPLETION AND MAKING GOOD OF DEFECTS**

- 8.1 The Contractor shall notify the Sub-Contractor in writing of the date upon which, in the Contractor's opinion, the Sub-Contractor has practically completed the Sub-Contract Works. Practical completion shall be deemed to have occurred when in the Contractor's opinion the Sub-Contract Works are complete save for any minor items of work, defects, shrinkages or other faults in the Sub-Contract Works to be carried out and remedied by the Sub-Contractor during the Defect Correction Period stated in the Order.
- 8.2 The Sub-Contractor shall be liable to make good at its own cost and in accordance with the directions of the Contractor all defects, shrinkages or other faults in the Sub-Contract Works appearing within the Defect Correction Period stated in the Order.

## **9 INDEMNITY FOR DELAY**

- 9.1 If the Sub-Contractor shall delay and/or disrupt the commencement, regular progress or completion of the Sub-Contract Works, it shall indemnify the Contractor against all losses (including liquidated damages deducted under the Contract or any claims made against the Contractor by other sub-contractors), caused to the Contractor as a result of any failure by the Sub-Contractor to comply with the date(s) stated in the Order and/or in the Contractor's Programme.

## **10 ATTENDANCES**

- 10.1 The Contractor may at its absolute discretion from time to time permit the Sub-Contractor to use standing scaffolding ladders, mechanical and non-mechanical plant ("the Equipment") for itself and its workmen and agents at its own risk. No warranty or liability on the part of the Contractor is created or implied as to the availability, condition, durability or fitness of the Equipment. The Sub-Contractor is to make good any damage caused to the Sub-Contract Works and to any other works by the use of the Equipment and shall indemnify the Contractor against all liability, costs, losses, claims, expenses or proceedings arising out of or in the course of such use.
- 10.2 The Sub-Contractor shall at its own expense make all provision for transporting, loading, sorting, storage and protection of the Materials, plant and tools brought on to Site and for their subsequent handling on Site. The Contractor shall not be liable for loss or damage howsoever arising.

## **11 VESTING OF MATERIALS**

- 11.1 The Sub-Contractor warrants that the Materials brought onto Site by the Sub-Contractor for incorporation into the Sub-Contract Works are the sole property of the Sub-Contractor and are not subject to any lien or any other encumbrances. The title in any Materials shall pass to the Contractor upon their delivery to Site by or on behalf of the Sub-Contractor.
- 11.2 Where by agreement of the parties any Materials are paid for by the Contractor prior to their delivery to Site, the title in such Materials shall pass to the Contractor upon payment being made for the same. The risk in such Materials shall not pass to the Contractor until completion of the Sub-Contract Works.

## **12 VARIATIONS**

- 12.1 The Contractor may, without invalidating the Sub-Contract, order an addition to or omission from or other change to/from the Sub-Contract Works. In the event that the Sub-Contractor believes any instruction given by the Contractor to be a variation, the Sub-Contractor must notify the Contractor in writing, within 3 days of receipt of such instruction, that the Sub-Contractor believes a variation has been instructed. Such notification is a condition precedent to the Sub-Contractor's entitlement to any increase in the Sub-Contract Sum that may arise as a result of such instruction. Such notification is not binding or conclusive evidence that a Variation has been issued.

- 12.2 Thereafter the Sub-Contractor shall, within 7 days (or within such other period as the Contractor may specify), of giving notice in accordance with clause 12.1 above, provide a quotation for performing any additional work. The Sub-Contractor's quotation shall separately comprise:
- 12.2.1 the value of the adjustment to the Sub-Contract Sum for performing the additional work supported by all necessary calculations by reference, where relevant, to the rates and prices in the Sub-Contract Documents and including, where appropriate, allowances for any adjustment of preliminary items;
  - 12.2.2 any adjustment to the time required for the completion of the Sub-Contract Works by reference to the dates stated in the Order and/or in the Contractor's Programme to the extent that such adjustment is not included in any other extension of time that has been granted by the Contractor, or included in any other quotation accepted by the Contractor in accordance with Clause 12;
  - 12.2.3 the value of the adjustment to the Sub-Contract Sum for any delay and/or disruption likely to be caused to the regular progress and/or completion of the Sub-Contract Works by reason of the additional work;
  - 12.2.4 a fair and reasonable amount in respect of the cost of preparing the quotation provided the Contract contains a like provision for the reimbursement of the Contractor;
  - 12.2.5 the method of carrying out the additional work; and
  - 12.2.6 any other information required by the Contractor.
- Within 7 days of the Contractor's receipt of the Sub-Contractor's quotation (or such other period as may be agreed between the parties), the Contractor shall by written notice to the Sub-Contractor state whether it accepts the Sub-Contractor's quotation.
- 12.3 The acceptance by the Contractor of any quotation provided by the Sub-Contractor in accordance with Clause 12.2 shall be deemed to be in full and final settlement of the matters and prices contained in the Sub-Contractor's quotation referred to in Clauses 12.2.1, 12.2.2, 12.2.3 and 12.2.4.
- 12.4 In the event the Contractor does not accept the Sub-Contractor's quotation for performing the additional work, the Contractor shall by written notice either direct that:
- 12.4.1 the instruction does not constitute a Variation and must be complied with by the Sub-Contractor at no additional cost; or
  - 12.4.2 where the instruction does constitute a Variation:
    - (a) the additional work is to be performed (which, after completion of the same by the Sub-Contractor, will be valued by the Contractor on a fair and reasonable basis using where applicable the relevant prices contained within the Sub-Contract Documents); or
    - (b) the additional work is not to be performed.
- 12.5 The Sub-Contract Works or any variation thereto shall not be carried out on a daywork basis unless the Sub-Contractor has obtained the Contractor's written consent before the Sub-Contractor undertakes the additional work. Dayworks will only be paid for by the Contractor where the Sub-Contractor submits daywork sheets signed by the Contractor's site manager or other authorised signatory. The signature of the Contractor's authorised signatory shall be evidence that dayworks have been carried out but shall not constitute acceptance that the hours claimed in respect thereof are reasonable or that the Sub-Contractor is entitled to receive payment therefor.

## **13 PAYMENT**

- 13.1 The Sub-Contractor shall be entitled to interim payments under the Sub-Contract. The Sub-Contractor may submit an application for payment no more than 7 days before and no less than 5 days before the relevant Due Date detailed below. No application for payment shall be valid unless supported by an official Order and/or Order reference number and, in respect of any Materials, a delivery note signed by an authorised representative of the Contractor. If no application for payment is made on time, no payment will be due to the Sub-Contractor and the Sub-Contractor will have to make an application for payment at the correct time in the following month. The Due Date of the first interim payment shall be the 7<sup>th</sup> day of the month following the month in which the Sub-Contractor commenced the Sub-Contract Works on Site and thereafter the Due Dates shall be the 7<sup>th</sup> day in each subsequent month up to the 7<sup>th</sup> day in the month following practical completion of the Sub-Contract Works. The Final Date for Payment of any interim payment that becomes due to the Sub-Contractor under the Sub-Contract shall be 21 days after the Due Date .

- 13.2 The Sub-Contractor's entitlement to interim payments shall be ascertained by reference to:
- 13.2.1 the total value of the Sub-Contract Works properly executed by the Sub-Contractor including any quotation for additional work accepted by the Contractor under Clause 12;
  - 13.2.2 the value of any Materials brought on to the Site for incorporation into the Sub-Contract Works;
  - 13.2.4 Less the value of any previous interim payments and retention at the percentage stated in the Order of the value of the interim payments.
- 13.3 No later than five days after the Due Date, the Contractor shall give a notice in writing to the Sub-Contractor specifying the sum due to the Sub-Contractor on the Due Date and the basis on which that sum due has been calculated ("the Payment Notice").
- 13.4 Within 3 months of the date of practical completion of the Sub-Contract Works, the Sub-Contractor shall submit its Final Account together with all supporting documentation to the Contractor. The Final Account shall be calculated in the manner set out in clause 13.2.
- 13.5 The Due Date of the Sub-Contractor's Final Account shall be one month after the Contractor issues a Certificate of Correction of Defects or upon the expiry of the Defect Correction Period stated in the Order, whichever occurs later. The Contractor shall serve a notice within 5 days of the Due Date specifying the amount due to the Sub-Contractor on the Due Date and the basis upon which that sum has been calculated and the Final Date for Payment shall be 35 days after the Due Date..
- 13.6 Where the Sub-Contract Works have not reached practical completion, the Contractor shall be entitled to deduct and retain retention at the rate stated in the Order of the value of the interim payments made to the Sub-Contractor. Where practical completion of the Sub-Contract Works has in the opinion of the Contractor been achieved, the Contractor shall be entitled to retain the reduced retention percentage stated in the Order of the sums certified to the date of practical completion. The remaining retention shall be payable as part of the Final Account.
- 13.7 If the Contractor intends to withhold or deduct any sum otherwise due to the Sub-Contractor from any interim payment or from the Final Account for any reason whatsoever, the Contractor shall give a written notice to the Sub-Contractor no later than 1 day before the Final Date for Payment (a "Pay Less Notice") stating the sum due as at the date of that Pay Less Notice, and the basis on which that sum due has been calculated.
- 13.8 If the Contractor fails to make payment to the Sub-Contractor of a sum due to the Sub Contractor under this Sub-Contract, the Contractor shall pay to the Sub-Contractor in addition to the amount not paid simple interest thereon for the period from the Final Date for Payment to the date payment is made. The rate of interest shall be 2% over the Base Rate of the Bank of England current at the date of the Contractor's default. The Sub-Contractor acknowledges that such rate is a substantial remedy for late payment (as defined in the Late Payment of Commercial Debts (Interest) Act 1998) by the Contractor.
- 13.9 The Sub-Contractor may suspend the performance of its obligations under the Sub-Contract if the Contractor fails to pay the Sub-Contractor any amount due under the Sub-Contract by the Final Date for Payment provided the Sub-Contractor first gives at least 7 days' written notice to the Contractor of its intention to do so.
- 13.10 The Contractor shall have the right to set off against any amount due from the Contractor to the Sub-Contractor under the Sub-Contract any sum or sums which are due and owing to the Contractor under the Sub-Contract and/or any other contract between the Contractor and the Sub-Contractor.
- 13.11 The Sub-Contractor is deemed to have included in the rates and prices stated (if any) for all payments in respect of National Insurance, holiday pay, travelling time and fares, guaranteed time, subsistence allowance, and all other payments properly made in accordance with the Working Rule Agreement or other approved body. The Sub-Contractor shall allow the Contractor to comply and provide such assistance as is reasonably necessary for checking the Sub-Contractors' records and insurance, etc.
- 13.12 All payments in respect of this Sub-Contract will be made in accordance with the provisions of HM Revenue & Customs' CIS Scheme as amended from time to time. The Sub-Contractor is therefore required to forward to Site a current tax certificate or original certifying document as appropriate, otherwise payments cannot be made.
- 13.13 The Contractor shall deduct the amount of any levy by the Construction Industry Training Board and the Sub-Contractor will be deemed to have included in his rates for the amount of any such levy.
- 13.14 If the Sub-Contractor is a registered person within the meaning of the current regulations regarding Value Added Tax, he shall upon entering into the Sub-Contract, immediately inform the Contractor of his



registration number and both the Sub-Contractor and the Contractor shall carry out their respective responsibilities under the Value Added Tax Regulations.

## **14 ASSIGNMENT AND SUB-SUB-CONTRACTING**

- 14.1 The Sub-Contractor shall not assign the Sub-Contract without the prior written consent of the Contractor, which consent shall not be unreasonably withheld. The Sub-Contractor may sub-sub-contract any part of the Sub-Contract Works if the Contractor so agrees in writing (such consent not to be unreasonably withheld) and shall supply such copies of its sub-sub-contract(s) as the Contractor may require. The Contractor's agreement to the assignment or sub-sub-contracting of any or all of the Sub-Contract Works shall not relieve the Sub-Contractor of any of its obligations under the Sub-Contract.

## **15 COMPLIANCE WITH STATUTORY REGULATIONS**

- 15.1 The Sub-Contractor shall at all times observe perform and strictly comply with all statutory and other obligations (including and without limiting the generality of the foregoing, those relating to noise, control of pollution, waste management, health safety and welfare). Any failure by the Sub-Contractor to comply with the foregoing shall be taken into account by the Contractor when valuing the Sub-Contract Works carried out and/or completed by the Sub-Contractor. The Sub-Contractor shall indemnify and save harmless the Contractor against any breach of such statutory obligation or other obligation by the Sub-Contractor, its servants or agents.
- 15.2 Without prejudice to the generality of the foregoing, the Sub-Contractor shall observe and fully comply with its obligations (if any) under the Construction Design and Management Regulations 2015.
- 15.3 The Sub-Contractor shall comply with the requirements contained in the Contractor's policies with regards to Health & Safety, Quality Assurance and the Environment and list of responsibilities for Sub-Contractors whilst engaged for activities associated with the Sub-Contract.
- 15.4 The Sub-Contractor shall provide details of its appointed on-site supervisor prior to commencing the Sub-Contract Works on Site.
- 15.5 Where the Sub-Contractor has 5 or more employees, it shall provide a copy of its Health & Safety Policy to the Contractor prior to commencing the Sub-Contract Works on Site.
- 15.6 The Sub-Contractor's operatives shall wear safety helmets and protective footwear whilst carrying out the Sub-Contract Works on Site together with any other personal protective equipment (PPE) deemed necessary to carry out the activities associated with the Order.
- 15.7 All PPE shall be provided by the Sub-Contractor. Where it is necessary for the Contractor to provide PPE, the Contractor shall be entitled to set off the cost of providing such PPE from any sums otherwise falling due to the Sub-Contractor.

## **16 INDEMNITY AND INSURANCE**

- 16.1 The Sub-Contractor shall indemnify and hold the Contractor harmless against any loss, damage, liability, cost or claim of whatsoever nature made or incurred by the Contractor arising from any work carried out by the Sub-Contractor under the Sub-Contract whether in respect of injury to or death of any persons including employees of the Sub-Contractor or of damage to any property or in the performance of the Sub-Contract by the Sub-Contractor or resulting from any defect in any materials supplied provided that such loss, damage, liability, cost or claim does not arise from any negligence on the part of the Contractor, its employees, servants or agents.
- 16.2 The Sub-Contractor shall at all times during the Sub-Contract maintain adequate policies of insurance in the minimum sums stated in the Order in respect of damage to or loss of (whether in whole or in part) any materials supplied or used by the Sub-Contractor whilst the property thereof rests with the Sub-Contractor, any injury or death of any person (including employees of the Contractor and the Sub-Contractor) and loss of or damage arising from the performance of the Sub-Contract. The Sub-Contractor shall provide to the Contractor when requested the relevant policies of insurance and the receipts for current premiums.
- 16.3 If the Sub-Contractor has designed any part of the Sub-Contract Works it shall take out and maintain professional indemnity insurance in the sum and for the period stated in the Order.

## **17 DETERMINATION**

- 17.1 The Contractor may at will, and for any reason whatsoever, determine the employment of the Sub-Contractor under the Order by giving the Sub-Contractor not less than 14 days' prior written notice of its intention to do so. In the event the employment of the Sub-Contractor under the Order is determined under this clause 17.1, the Contractor shall be liable to the Sub-Contractor for all sums that may be due or have accrued due for the Sub-Contract Works performed by the Sub-Contractor up to the expiry of that 14 day period. The Contractor shall have no further liability to the Sub-Contractor whether for loss of profit of for any other loss the Sub-Contractor may incur as a result of the determination.
- 17.2 The Contractor may by written notice forthwith determine the employment of the Sub-Contractor under the Sub-Contract without any liability to the Contractor if the Sub-Contractor:
- 17.2.1 without reasonable cause suspends the carrying out of the Sub-Contract Works before the completion thereof;
  - 17.2.2 fails to progress the Sub-Contract Works with due diligence having regard to the dates set out in the Order and/or in the Contractor's Programme;
  - 17.2.3 refuses to or persistently neglects for a period of 7 days or more after written notice from the Contractor to remove defective work or improper materials or goods as a result of which the Sub-Contract Works are materially affected;
  - 17.2.4 supplies and delivers to Site Materials that fail to satisfy any of the conditions of the Sub-Contract relating to specification, quality, quantity and workmanship and/or design (in these circumstances, the Contractor shall be entitled to reject the Materials supplied and delivered by the Sub-Contractor);
  - 17.2.5 breaches or fails to materially comply with the Construction Design and Management Regulations, health and safety legislation or the Contractor's Health & Safety rules;
  - 17.2.6 becomes bankrupt or makes any composition with its creditors or has being a company a proposal for a voluntary arrangement approved in accordance with the Insolvency Act 1986 applies to the Court for an administration order, has a winding up order made or provisional liquidator appointed or has a receiver or manager or administrative receiver appointed.
- 17.3 In the event of determination under clause 17.2, the Contractor may employ another contractor to complete the Sub-Contract Works and recover from the Sub-Contractor all additional costs and/or damages incurred by the Contractor as a consequence.

## **18 DISPUTE RESOLUTION**

- 18.1 If at any time during the Sub-Contract a dispute shall arise between the parties, either party shall have the right to give the other party a written notice requiring the dispute to be referred to adjudication. An application is to be made to either the Royal Institution of Chartered Surveyors or to the Institute of Civil Engineers for the appointment of an adjudicator and the adjudication shall be conducted in accordance with the Statutory Scheme for Construction Contracts.

## **19 NOTICES**

- 19.1 Any notices served under the Sub-Contract by the Sub-Contractor shall be served by email and with a hard copy to the registered office or principal place of business of the Contractor.

## **20 ASYLUM & IMMIGRATION ACT 1996**

- 20.1 The Sub-Contractor shall indemnify the Contractor against any expense, liability, loss, claim or proceedings whatsoever, incurred by the Contractor arising from any failure by the Sub-Contractor to comply with the Asylum & Immigration Act 1996 or any further Asylum & Immigration Rules or Regulations which may be issued and/or enforced by the Home Office from time to time. The Contractor reserves the right to request the Sub-Contractor at any time to demonstrate that the Sub-Contractor has fully complied with the above Act within a period of 7 days from such request being made in writing. In the event that the Sub-Contractor fails or refuses to demonstrate to the reasonable and complete satisfaction of the Contractor that it has

fully complied with the Act, then the Contractor shall give the Sub-Contractor 7 days' notice in writing requiring the Sub-Contractor to rectify the situation and to demonstrate to the Contractor that it has fully complied with the terms of the Act to the Contractor's reasonable and complete satisfaction. If the Sub-Contractor fails to so perform, the Contractor may determine the employment of the Sub-Contractor under the Sub-Contract and recover from the Sub-Contractor as a debt, or deduct from any sum due to the Sub-Contractor which has not been paid by the Contractor, any direct or indirect costs, losses or any other damages incurred by the Contractor as a consequence thereof.

## **21**     **PROPER LAW**

- 21.1     If any clause in these Conditions of Sub-Contract is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other clauses set out herein and the remainder of the clause in question shall remain in full force and effect.
- 21.2     The construction, validity and performance of the Contract shall be governed by English law.