

SIMPLE WORKS SUBCONTRACT

PARTIES

Company	[Insert entity details] [Insert ABN/ACN]	Company's representative: [Insert] Email: [Insert] Phone: [Insert]
Contractor	[Insert entity details] [Insert ABN/ACN]	Contractor's representative: [Insert] Email: [Insert] Phone: [Insert]

PARTICULARS

1. Contract Date:	[Insert]
2. Site:	[Insert]
3. Project:	[Insert]
4. Contract Price:	\$ [Insert] (ex GST), inclusive of any provisional sums.
5. Date for Completion:	[Insert]
6. Additional extension events:	[Insert – for example 'latent conditions' or 'adverse weather events']
7. Liquidated damages rate:	\$ [Insert] (ex GST)
8. Total value of security:	5% of the Contract Price
9. Defects Liability Period:	12 months
10. Full design responsibility:	Yes / No
11. Insurance	Public liability insurance: \$[Insert] Professional indemnity insurance: \$[Insert]
12. Time for payment claims:	The 25 th day of each month for work performed up to the last day of that month
13. Contract Documents:	(a) The General Conditions (b) Attachment A – Special Conditions (c) Attachment B – Deed of Release (d) Attachment C – Scope of Work and Related Requirements

SIGNATURES

Company's Signature

Signature of authorised person

Name of authorised person

Title of authorised person

Contractor's Signature

Signature of authorised person

Name of authorised person

Title of authorised person

GENERAL CONDITIONS

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1 THE WORK AND THE CONTRACT PRICE

The Contractor must carry out and complete the Work in accordance with the Contract and any directions from Company given under the Contract.

In exchange, Company must pay the Contract Price to the Contractor, subject to any adjustments made under the Contract.

2 THE HEAD CONTRACT

The Contractor acknowledges that Company has obligations to the Client under the Head Contract, including strict notice obligations. In respect of the Work and the Finished Works, the Contractor:

- must not do anything or fail to do anything which would put Company in breach of its Head Contract obligations;
- must do all things reasonably requested by Company to allow Company to comply with its obligations under the Head Contract;
- makes the same warranties to Company as Company has made to the Client under the Head Contract; and
- unconditionally and irrevocably indemnifies Company from and against any loss suffered by Company as a result of claims arising out of the Head Contract to the extent they arise from acts or omissions of the Contractor that are negligent, unlawful or in breach of the Contract.

The value of any claim the Contractor may make against Company is limited to the value of any corresponding claim Company may have against the Client under the Head Contract in connection with the same underlying work or circumstances.

3 SECURITY

3.1 Provision

The Contractor must provide Company security in one of the following forms:

- two bank guarantees, each for 50% of the value in Item 8, in a form reasonably approved by Company; or

- cash retention, in which case Company will withhold 10% of each progress payment until the amount held reaches the value in Item 8.

The Contractor will have no entitlement to interest on security held by Company.

The Contractor acknowledges that the purpose of this security is to:

- provide security for Company in respect of the Contractor's due and proper performance of its obligations under the Contract; and
- if a dispute arises, allocate the risk of financial burden during the time of the dispute to the Contractor.

3.2 Recourse

Company may call on the Contractor's security if it considers in good faith that:

- there is a debt due from the Contractor to Company; or
- it has a claim against the Contractor which may give rise to a debt owed to Company, even if the quantum of that claim has not been quantified (for example, where there is a claim for damages).

If the Contractor has provided a bank guarantee that is due to expire within 14 days, Company may convert the bank guarantee into cash and hold that cash instead of the bank guarantee as security.

3.3 Release of security

Company must return:

- 50% of the Contractor's security within 28 days of the later to occur of:
 - the Date of Completion, or if there are separable portions the Date of Completion of the last separable portion to achieve Completion; and
 - the Contractor providing Company a properly executed deed of release in the form of the document in Attachment B; and
- the balance of the security within 28 days of the expiry of the Defects Liability Period, provided the Contractor has complied with all its obligations under this Contract.

However, Company is not required to return any security to the Contractor if, at the time the security is otherwise due to be returned, there are any unremedied defects, unresolved

claims, ongoing disputes or other matters that could result in the Contractor having to pay money to Company.

4 WARRANTIES

The Contractor warrants to Company that the Contractor:

- (a) is suitably qualified and experienced to carry out and complete the Work;
- (b) will exercise reasonable skill, care and diligence in carrying out and completing the Work;
- (c) will perform the Work in accordance with all applicable Laws;
- (d) will ensure that all goods and services supplied by the Contractor are free of Defects and satisfy any warranties the Contractor is required to provide under the Contract;
- (e) holds and will continue to hold all licences necessary to perform the work under the Contract;
- (f) will not bring, use or incorporate into the Finished Works any equipment, plant or material that does not comply with any applicable Law or which is not fit for its intended purpose;
- (g) will not incorporate into the Finished Works any materials which are not new (unless otherwise specified) or which are defective; and
- (h) will use workmanship of the standard prescribed in the Contract or to the extent it is not prescribed, of a high standard consistent with recognised good practices for work of a similar nature.

5 THE SITE

5.1 Access

Company must provide the Contractor sufficient access to the Site to carry out the Work. The Contractor will not be granted exclusive access.

5.2 Inspection of the site

The Contractor warrants that, before entering into the Contract, it has:

- (a) familiarised itself with the Site and its surrounds; and
- (b) conducted all necessary tests, examinations and inquiries which a prudent, competent and cautious contractor would undertake before entering into the Contract.

5.3 The environment and hazardous materials

The Contractor must:

- (a) comply with all applicable Laws and regulations regarding the environment, including in relation to air pollution, discharge of liquids and waste management;
- (b) take any necessary steps to protect and preserve the environment at large from harm or damage; and
- (c) not pollute the Site or bring any hazardous materials onto the site (without Company's prior consent).

5.4 Cleaning up

The Contractor must keep its work area clean and tidy, including by progressively removing all rubbish and waste from its work area.

6 THE CONTRACTOR'S DESIGN OBLIGATIONS

6.1 Design completion

The Contractor must perform any work necessary to complete the design of the Finished Works, including:

- (a) developing any preliminary design provided by Company;
- (b) preparing shop drawings (if required); and
- (c) coordinating the design of the Finished Works with the design of other parts of the Project.

The Contractor warrants that it has examined the design documents contained in the Contract and that the Contract Price includes a sufficient allowance for performing its obligations under this clause 6.1.

6.2 Design documents

The Contractor must ensure that all design documents produced by the Contractor:

- (a) comply with all Laws and the requirements of the Contract;
- (b) are fit for their intended purpose;
- (c) are consistent, including in relation to performance, design-life, operating and maintenance cost, quality and aesthetics, with the design intent for the Finished Works and the Project that is contained in, or may reasonably be inferred from, the Contract.

The Contractor must allow Company a reasonable timeframe, and at least 10 Business Days, to review any design documents before the Contractor relies on those design documents or starts any work which is the subject of those design documents.

Design development and associated incidental work which could reasonably be inferred at the Contract Date is taken to be included in the Contract Price.

6.3 Obligations not reduced

The Contractor's obligations and liabilities under the Contract will not be reduced as a consequence of any review, approval or acceptance of, or any comment on, any design documents by Company.

6.4 Allowances for buildability issues etc

The Contractor warrants to Company that it has, exercising the standard of care that could reasonably be expected of a highly skilled and experienced contractor:

- (a) thoroughly examined the Scope of Work and Related Requirements and any other design documents provided by Company in connection with the Work; and
- (b) carefully considered all other information obtainable through the making of reasonable inquiries,

with a view to identifying all potential buildability issues, design discrepancies, errors, omissions or other issues that could give rise to delays or additional work. The Contractor agrees that the Contract Price and the Date for Completion both include sufficient allowances for all risks that should reasonably have been anticipated by the Contractor, having done the things contemplated above.

6.5 Discrepancies

If the Contractor discovers a discrepancy in or between any Contract Documents (including any error or omission), it must immediately notify Company, and Company will direct the Contractor how to resolve the issue.