

BUILDER AND SUB-CONTRACTOR AGREEMENT



THIS AGREEMENT made this _____ day of _____, A.D. 20_____

BETWEEN:

Name of Builder (hereinafter call the "Builder")

AND

Name of Sub-contractor (hereinafter called the "Sub-contractor")

Address of Builder

Address of Sub-contractor

HST Registration #:

HST Registration#:

PROJECT ADDRESS:

Whereas the Sub-contractor has a valid Business License for this location, and has agreed with the Builder to perform certain portions(s) of the work on the site and supply all of the labour, materials, products, tools, construction machinery and equipment necessary as hereinafter set forth and subject to the terms on the reverse;

WORK TO BE PERFORMED:

The materials to be furnished and the work to be performed by the Sub-contractor in a proper and workmanlike manner are: (insert a precise description of work to be performed and materials to be provided by reference to the plans and specifications.)

Start Date: _____ Completion Date: _____

SUB-CONTRACT PRICE

- a) The Sub-contract price is _____ Dollars, \$ _____ which includes the obtaining of all required permits and inspections, and all taxes in force at the time of signing this Agreement. The Sub-contractor shall pay when due all such expenses which are payable by him and on default, any penalties or interest accruing thereon.
- b) The Sub-contractor shall make application for progress payments on or before the _____ day of each month to the Builder for approval and due processing covering the value of the materials delivered to the site and work performed by the Sub-contractor proportionate to the amount of the Sub-contract price, whereupon payment to the Sub-contractor by the Builder shall become due and payable (subject to any applicable builders lien holdback) not more than 30 days after the submission date.

SEE TERMS AND CONDITIONS ON REVERSE

IN WITNESS WHEREOF the parties have executed this Agreement under their respective corporate seals and by the hands of their proper officers thereunto duly authorized.

Builder: _____ Sub-contractor: _____

(Name of Builder) (Name of Sub-Contractor)

(Signature) (Signature)

Date: _____ Date: _____

NB. This form is provided by the Canadian Home Builders' Association of B.C. as a service to the industry. The Association accepts no responsibility whatsoever for its sufficiency and recommends that appropriate professional advice be sought.

1. The work shall be performed and the materials supplied:
 - a. In accordance with the British Columbia Building Code; and
 - b. In accordance with this Sub-contract agreement; and
 - c. In accordance with the plans and specifications issued by the Builder to the Sub-contractor.
 - d. **Discrepancy:** The specifications are to take precedence in the event of any discrepancy between the specifications and the other documents as to workmanship and materials.
If the Sub-contractor discovers an error, inconsistency or omission in the plans, specifications or sub-surfaces to be worked on, he shall not proceed with the work affected until he has received corrected or missing information from the Builder and/or the subsurface defect(s) has been repaired.
2. **PAYMENT**
 - a. Subject to applicable legislation and in accordance with the provisions of the Sub-contract conditions, the Builder shall make payments to the Sub-contractor on account of the Sub-contract price.
 - b. When the Builder and the owner (or the Payment Certifier under the *Builders Lien Act*, if one has been appointed) have certified that the work of the Sub-contractor has been completed, the Builder shall pay to the Sub-contractor holdback monies at the time due as described in paragraph 2(c).
 - c. The release of holdback monies shall become due and payable only in accordance with statutory requirements in the *Builder's Lien Act* provided that no claims against the work exist and the sub-contractor has submitted to the Builder a sworn statement that all accounts for labour, Sub-contracts, products, tools, construction machinery and equipment and any other indebtedness which may have been incurred by the Sub-contractor in the performance of the work and for which the Builder might in any way be held responsible have been paid in full except holdback monies properly retained.
 - d. The Builder and the Sub-contractor agree to comply with all relevant provisions of the *Builders Lien Act* and to act reasonably and in good faith in so doing. The Sub-contractor will be solely responsible for retaining builders lien holdbacks from all applicable Sub-sub-contractors (not including workers, material suppliers, architects or engineers) as required by the *Builders Lien Act*.
3. **DELAYS**
If the Sub-contractor is delayed in the performance of the work by any cause beyond the control of the contractor, the Sub-contract time shall be extended for such reasonable time as the Builder may decide in consultation with the Sub-contractor.
4. **BUILDERS'S RIGHT TO DO WORK**
 - a) If the Sub-contractor fails to perform any provisions of the Sub-contract, the Builder shall notify the Sub-contractor in writing of the default and instruct him to correct the default within three (3) working days.
 - b) If the Sub-contractor fails to correct the default the Builder may, without prejudice to any other right or remedy, it may have, correct the default and deduct the cost thereof from the payment then or thereafter due to the Sub-contractor.
 - c) If the cost of the default, when added to prior payments, exceeds the Sub-contract price, such excess shall be payable to the Builder by the Sub-contractor.
 - d) In the event of such default by the Sub-contractor, the Builder will not under any circumstances pay out or apply in support of the Builders lien holdback withheld from the Sub-contractor until the possibility of any lien arising under the Sub-contractor is exhausted.
5. **BUILDERS' RIGHT TO STOP WORK OR TERMINATE THE SUB-CONTRACT**
The Builder may, by giving three (3) days' written notice, terminate the Contract
 - a) If the Sub-contractor is adjudged bankrupt or makes a general assignment for the benefit of creditors; or if a receiver is appointed; or if he refuses or fails to supply sufficient properly skilled workmen or workmanship, materials or construction machinery and equipment for the successful performance of the work; or he fails to make timely payments due to his sub-contractors, suppliers or workmen; or if he persistently disregards laws or by-laws or the Builder's reasonable instructions; or otherwise violates the provisions of this Sub-contract.
 - b) If the Builder terminates this Sub-contract under the conditions set out above, he is entitled to withhold any further payments and take possession of any materials and utilize the construction machinery and equipment, and finish the work to be performed hereunder by whatever method the Builder may consider expedient but without undue delay or expense.
6. **WARRANTY**
 - a) The Sub-contractor shall correct, at his own expense, any defects in the work or in faulty materials and/or workmanship appearing within a period of one year from the date of possession.
 - b) The Sub-contractor shall correct and/or pay for any damages to other work resulting from any corrections required in paragraph 6(a).
 - c) The Builder shall give the Sub-contractor written notice of any defects within a reasonable time.
 - d) If the Sub-contractor fails to correct defects or pay damages caused by his work, at his expense or cost, the Sub-contractor agrees to indemnify and hold harmless the Builder against any such expenses or costs.
 - e) The Sub-contractor shall indemnify and hold harmless the Builder from and against claims, demands, losses, costs, damages, actions, suits or proceedings by third parties that arise out of, or are attributable to, the Sub-contractors performance of its obligations under the Agreement.
7. **LIABILITY INSURANCE**
The Sub-contractor shall provide and maintain his expense, reasonable insurance against claims made for damages for personal injury or property damage by reason of anything done or not done by the Sub-contractor, its employees or agents, in connection with the performance of this Agreement.
8. **WORKERS' COMPENSATION**
At any time during the term of this Sub-contract when requested by the Builder, the Sub-contractor shall provide such evidence of compliance by himself and any or all of his Sub-contractors with all requirements with respect to payments due under the Workers' Compensation Act. It is specifically understood that Workers' Compensation Board costs are included in their Sub-contract price and the Sub-contractor authorizes Workers' Compensation Board deductions to be paid on his behalf by the Builder and an equal amount of money to be deducted from any monies owing.
9. **CHANGES IN WORK**
 - a) The Builder, without invalidating the Sub-contract, may make changes by altering, adding to, or deducting from the work, with the Sub-contract price and Sub-contract being adjusted accordingly.
 - b) No change shall be made by the Sub-contractor without a written "Change Work Order" from the Builder and no claim for an addition or deduction to the Sub-contract price or change in the Sub-contract time shall be valid unless so ordered and at the same time agreed upon.
10. **CLEANUP**
The Sub-contractor shall, at his own expense, keep his work areas in a tidy condition and free from the accumulation of waste products and debris. When the work of the Subcontract is totally performed, the Sub-contractor shall remove all surplus products, tools, construction machinery and equipment and any waste products and debris and leave the site in a clean and tidy condition to the satisfaction of the Builder.
11. **REJECTED WORK**
 - a) Defective work, whether the result of poor workmanship, use defective materials, or damage through carelessness or other acts or omissions of the Sub-contractor and whether incorporated in the work or not, which has been rejected by the Builder as failing to conform to plans and specifications shall be removed promptly from the premises by the Subcontractor and replaced promptly in accordance with the plans and specifications at the Sub-contractors' expense.
 - b) Any portion of the work or other Builders' work destroyed or damaged by such removal or replacement shall be made good promptly at the Sub-contractors' expense.
 - c) If, in the opinion of the Builder, it is not expedient to correct defective work or work not done in accordance to the plans and specifications, the Builder may deduct from the subcontract price the difference in value between the work as done and that called for by the plans and specifications.
12. **ENTIRE AGREEMENT**
This Agreement constitutes the entire Agreement between the parties and supersedes all previous expectations, understandings, negotiations, communications and agreements, whether verbal or written, express or implied, statutory or otherwise, between the parties with respect to the subject matter of this Sub-contract.

BUILDER AND SUB-CONTRACTOR AGREEMENT



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BETWEEN:

Name of Builder (hereinafter call the "Builder") AND _____
Name of Sub-contractor (hereinafter called the "Sub-contractor")

Address of Builder Address of Sub-contractor

HST Registration #: _____ HST Registration#: _____

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Builder:	Sub-contractor
_____ (Name of Builder)	_____ (Name of Sub-Contractor)
_____ (Signature)	_____ (Signature)
Date: _____	Date: _____

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