



Subcontract Quality Review Checklist

SubbieCA

Contract Admin
Solutions

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Subcontract Quality Review*

Subcontractors can reduce their contractual risk by following these guidelines:

1. **Review the subcontract (works order or purchase order) thoroughly:** Carefully review the terms and conditions of the contract before signing it. Ensure you understand all the obligations, deadlines, payment terms, and other requirements stated in the contract. Mark up the contract with terms that you don't agree with or provide a Departures Schedule.
2. **Identify potential risks:** Identify potential risks associated with the specific project, such as delays, disputes, quality issues, and liability. Evaluate the risks and consider how to mitigate them.
3. **Negotiate favorable terms:** Negotiate favorable terms that protect your interests, such as payment terms, intellectual property rights, warranties, and liability limitations. Negotiate for adequate compensation for the work you will perform.
4. **Verify the client's credentials:** Verify the client's credentials, such as their ACN, ABN, reputation, financial stability, and record. You should also ensure that the client has the necessary licenses and permits to carry out the project.
5. **Ensure adequate insurance coverage:** Ensure you have adequate insurance coverage to protect you against any risks associated with the project. This may include liability insurance, worker's compensation, professional indemnity insurance, contract works insurance, and trade credit insurance.
6. **Systems:** Maintain accurate records of all the work you perform, including work performed each day, any delays, GPS and time stamped photos, payment claims, payments received, and other documentation such as safety and quality. This will help to prove your claims in case of disputes or litigation.
7. **Notices and Communication:** Communicate regularly with the client to ensure that you are aware of any issues or changes that may affect the project. You should also keep the client informed of your progress and any delays or problems and other items noted in the subcontract. Negotiate for adequate compensation for the variation work you will perform if the subcontract contains items not included in your quote.

* SubbieCA is not a law practice and does not provide legal advice. This checklist is not intended as a substitute for legal advice. Rather, the checklist is designed as an internal quality assurance checklist to identify facts and matters reflected in the contract that you may require legal advice about. If in doubt, we recommend you seek legal advice.

Subcontract Quality Review Checklist

Project no.		Project Name	
Project Address			

Section 1 - Project Information	Comments / Risk
Company Name	
Business Name	
ABN – Matches ABN Lookup	
ACN – Matches ASIC	
License Details – Confirm with State Licencing	
Address	
Representative: Person / Title: Phone Number(s): Email Address:	
Subcontract Sum	
Payment Terms	
Retention %	
Liquidated Damages Amount / day	
DLP Maintenance Period (months)	
Date of Commencement	
Date of Practical Completion (Check line up with construction program)	
Notice of Delay – Triggered By / Time Bar	
Extension of Time – Triggered By / Time Bar	
Variation – Time Bar	
Time to rectify defects	

Section 2 - Subcontractor Details – Formal Instrument of Agreement & Signing Page	
Are all your details correct?	<input type="checkbox"/> Yes / <input type="checkbox"/> No

Section 3– Scope of Works	Comments / Risk
Subcontract Sum = Quoted Amount	
QA Done on SOW? Check SOW against quote and tender meeting minutes	<i>Cross out exclusions. Note follow up / clarifications.</i>

Section 4: Formal Instrument of Agreement (FIA)	Comments / Risk
Has the contract been backdated?	<input type="checkbox"/> Yes / <input type="checkbox"/> No When you sign record the date signed.
Does the FIA have any sentences that say the contract is "subject to" the subcontractor doing something else?	<input type="checkbox"/> Yes / <input type="checkbox"/> No. Provide details if yes, e.g., Signing Deed of Guarantee
Does the Contract imply that the Director as an individual is signing as an individual or on behalf of the Company?	<input type="checkbox"/> Individual / <input type="checkbox"/> Company
Is the Construction Programme date and revision number in FIA the same as the version you have received?	<input type="checkbox"/> Yes / <input type="checkbox"/> No Not provided
Is drawing Register date and revision number in FIA same as copy as quoted?	<input type="checkbox"/> Yes / <input type="checkbox"/> No Not provided
Does the Contract refer to unseen documents? Head Contract Standard Conditions Principles Project Requirements Other	<input type="checkbox"/> Yes / <input type="checkbox"/> No

Section 5 - Definitions	Comments / Risk
Qualifying Cause of Delay	
Practical / Substantial Completion	
Variation	
Defects Liability Period	
Causes of delay that entitle you to an EOT	
Variation Triggers	

Section 6 – Particulars / Schedule / Part A	
Commencement date. Agreed <input type="checkbox"/> Yes / <input type="checkbox"/> No	
Completion date. Agreed <input type="checkbox"/> Yes / <input type="checkbox"/> No	
Do the commencement date / completion date line up with Construction Program?	
Rate per day for Subcontract LDs.	
Rate per day for Head Contract LDs.	
Payment Claim Reference Date	
Payment Terms	
Payment for unfixed plant & materials	
Variation - % or amount listed for profit?	
Working Hours / ROD Applicable?	
Insurance Requirements	

Section 7 – Payment Claims	Comments
Payment Claim Reference Date	
Payment Claim Submission Method	<input type="checkbox"/> Email / <input type="checkbox"/> Payapps
Payment Schedule # Days	
Due Date # Days in contract	
Reference Date	
Stat Dec / Declaration Required	
Government Training Hours Required or Other Reporting Requirements	

Section 8 – Determine Risk	Yes	No	Comments / Risk
Unconditional Undertaking E.g., CDI Part C	<input type="checkbox"/>	<input type="checkbox"/>	
Directors Guarantee / Personal Guarantee	<input type="checkbox"/>	<input type="checkbox"/>	
Deeds Incorporated by Reference			
Deed of Release	<input type="checkbox"/>	<input type="checkbox"/>	
Deed of Novation	<input type="checkbox"/>	<input type="checkbox"/>	
Deed of Unconditional Undertaking	<input type="checkbox"/>	<input type="checkbox"/>	
Subcontractors Warranty Deed	<input type="checkbox"/>	<input type="checkbox"/>	
Sub-Subcontractors Warranty	<input type="checkbox"/>	<input type="checkbox"/>	
Supplier Warranty Deed	<input type="checkbox"/>	<input type="checkbox"/>	
Subcontractor's Design Warranty	<input type="checkbox"/>	<input type="checkbox"/>	
Deed of Guarantee and Undertaking (Director's Guarantee)	<input type="checkbox"/>	<input type="checkbox"/>	
Insurance Requirements			<i>Required to send copy of the contract to insurer? Note amounts.</i>
PL	<input type="checkbox"/>	<input type="checkbox"/>	
WC	<input type="checkbox"/>	<input type="checkbox"/>	
PI	<input type="checkbox"/>	<input type="checkbox"/>	
Contract Works	<input type="checkbox"/>	<input type="checkbox"/>	
Termination For Convenience Clause	<input type="checkbox"/>		
Practical Completion Definition	<input type="checkbox"/>		
Set off / offset / deduct monies	<input type="checkbox"/>		
Security / Retention / Bank Guarantees / Cash (& release trigger)	<input type="checkbox"/>		
Separable Portions	<input type="checkbox"/>		
PPSA	<input type="checkbox"/>		
Unfixed Plant and Material for which Contractor will pay	<input type="checkbox"/>		
Quality System			
Note Requirements	<input type="checkbox"/>		
General Site Facilities			<i>Who is responsible for supplying each?</i>
Water, Power, Crib Hut, Site Office, Cranage, Scaffold / Handrails, Hoisting, Plant, Equipment, Remove trade waste off site, Skip bins	<input type="checkbox"/>		