

**SUB-CONTRACTOR CONDITIONS OF ENGAGEMENT****SUBCONTRACTOR OBLIGATIONS**

The Sub-Contractor shall:

- 1.1 Carry out and complete all works in accordance with this agreement, annexures, specifications, and to the satisfaction of ALC Managing Directors and the Client.
- 1.2 Not assign, transfer, or sub-contract any portion of the works without prior written approval from ALC.
- 1.3 Comply with all ALC safety rules, site procedures, workplace policies, and legislative requirements.
- 1.4 Maintain the work area in a clean, safe, and tidy condition at all times, including prompt removal of surplus materials and spoil.
- 1.5 Maintain full and current insurance coverage for the duration of the works, including (as applicable):
  1. Public Liability Insurance (minimum \$20 million)
  2. Workcover or Personal Accident Insurance
  3. Professional or Trade-Relevant Insurance.
  4. Certificate of currencies must be provided prior to commencement and upon request
- 1.6 Hold a current building work contractors licence and registration, and competency certifications relevant to the contracted works.
- 1.7 Comply with all lawful instructions issued by an authorised ALC Representative.
- 1.8 Supply all labour, tools, equipment, materials, and plant necessary to complete the works, unless otherwise agreed in writing.
- 1.9 Be responsible for all costs arising from rectification of defective work or damage caused by the Sub-Contractor or their employees.
- 1.10 Provide all required PPE and ensure employees comply with safety requirements at all times. Including site specific requirements.
- 1.11 Report to ALC site representative in person or via phone on arrival and departure to site and attend site meetings when requested by ALC.
- 1.12 Acceptance of this sub-contract agreement is deemed to occur upon any of the following:
  - Signing this agreement
  - Commencement of work on site
  - Delivery of materials
  - Submission of shop drawings

Where discrepancies exist between this Agreement and the Head Contract, this Agreement shall prevail.

**AUTHORISED WORK & PURCHASE ORDERS (PO)**

- 1.13 PO Required. No work is authorised unless covered by a valid ALC Purchase Order (PO) or written instruction.
- 1.14 Unauthorised Work. Work completed without a PO may not be paid.
- 1.15 Out-of-Scope Work Any work outside a PO is treated as a Variation and must follow the Variation process

**PAYMENTS**

- 2.1 The Sub-Contractor shall submit invoices or progress claims to [accounts@alconstruct.com.au](mailto:accounts@alconstruct.com.au) by the 10th or 20th of each month to align with ALC's standard payment cycle.
- 2.2 Claims must include sufficient evidence to substantiate completed work (e.g., delivery dockets, PO and project reference, photos, variation approvals dates and cost breakdowns).
- 2.3 Payment will be processed in accordance with ALC's bi-monthly payment cycle, typically falling on the 15th and 30th of each month, subject to approval.
- 2.4 No payment will be made for variation claims unless the variation has been approved in writing by ALC prior to works being carried out and sufficient breakdown is provided.

2.5 No payment shall be made until the Sub-Contractor has provided:

- A signed copy of this agreement
- Evidence of required licences and current insurances
- Evidence of Workcover compliance
- Any other required compliance documentation

#### **VARIATIONS**

3.1 The Sub-Contractor shall not vary the scope of works outlined in the subcontractor purchase order or Variation Work Order unless approved in writing by ALC Management.

3.2 No variation claim will be recognised without written instruction or approval from ALC in the form of a Purchase Order or Variation Work Order.

3.3 Variation costs must be submitted in writing and include a clear cost breakdown (dates, labour, materials, plant etc.)

3.4 ALC must submit variation claims to the head contractor within 5 days of instruction. This means any subcontractors performing variation works must provide supporting evidence to ALC as and when requested.

3.5 Supporting evidence must be provided, including (where applicable):

- Day Sheets or record of dates, hours and labour rates
- Delivery dockets
- Material and machine costs
- Site photos
- Work Order and/or written variation approvals

3.6 Late or unsupported variation claims may be rejected.

3.7 No variation claim will be accepted unless the Sub-Contractor notified ALC at the time the instruction was given and obtained formal approval.

#### **EXTENSION OF TIME**

4.1 If the Sub-Contractor is delayed, due to qualifying causes under the Head Contract, they must submit a written Extension of Time claim at the time the delay occurs.

4.2 Failure to submit a timely claim may result in no entitlement to time extension and expose the sub-contractor to liquidated damages.

4.3 The Sub-Contractor must take all reasonable steps to minimise delay impacts.

#### **LIQUIDATED DAMAGES**

5.1 If the sub-contract works are not completed by the scheduled date or, such extended time as may become available, due to the provisions here of because the sub-contractor shall have either failed to complete the subcontract works or have

defaulted, then the subcontractor shall be liable for liquidated damages and ascertained damages at the rate stated in the Annexure. In addition the sub-contractor shall be liable for the builders costs, as well as costs rightfully incurred by other sub-contractors as a result of any delay or default by the sub-contractor.

5.2 The value of any such liquidated and ascertained damages and other associated costs may be deducted from monies

owed to the sub-contractor at any time.

#### **COST OF DELAY**

6.1 The Sub-Contractor shall not be entitled to claim or recover any costs, expenses, loss, or damages arising from delay in execution of the works, unless such costs are reimbursed to ALC under the Head Contract.

6.2 No entitlement to delay costs exists unless expressly approved in writing by ALC.

**ACCEPTANCE OF BASE WORKS**

- 7.1 Commencement of any work shall signify the sub-contractors acceptance of previous works and be conclusive evidence that the sub-contractor required no additional payments and the previous work is entirely suitable for the purpose of carrying out the subcontract works.
- 7.2 The Sub-Contractor retains the right to notify ALC of unsuitable or defective prior works before proceeding.
- 7.3 Failure to notify ALC does not transfer responsibility for defective base works to the Sub-Contractor.

**DEFECTS**

- 8.1 Any non-conformance, fault, or defect in the Sub-Contract Works shall be made good by the subcontractor at the subcontractors own expense
- 8.2 If any such non-conformance, fault or defect is not made good within 5 days of being given notice to do so, or in the case of emergency immediately, then ALC may undertake such work as is necessary and all costs incurred by ALC shall be recoverable from the sub-contractor, including administration costs.
- 8.3 Payment of final invoice may be delayed until defects are satisfactorily rectified and final acceptance is confirmed.

**PREVIOUS OFFERS & AGREEMENTS**

- 9.1 This Sub-Contract Agreement supersedes all prior offers, negotiations, correspondence, or agreements, unless expressly incorporated in writing.

**FREEDOM TO EMPLOY OTHERS**

- 10.1 ALC acknowledges the freedom of the sub-contractor to personally perform any work required to be done in the execution of this agreement and to obtain the carrying out of such work by the sub-contractor delegates.
- 10.2 The subcontractor is responsible for ensuring the competency and suitability of the sub-contractor delegates to perform such work.
- 10.3 ALC reserves the right to engage other contractors or resources to complete or supplement the works if required.
- 10.4 The Sub-Contractor acknowledges this does not create entitlement to claim for loss of work or compensation.

**CONSTRUCTION SCHEDULE**

- 11.1 The Sub-Contractor shall provide adequate labour, supervision, plant, and materials to complete works in accordance with the Construction Schedule.
- 11.2 The Sub-Contractor must coordinate works to ensure sequencing aligns with the program.
- 11.3 ALC may issue schedule directions or resequencing instructions, and the Sub-Contractor shall comply without entitlement to delay claims unless approved in writing.
- 11.4 The Sub-Contractor shall not be entitled to claim delay costs or damages arising from schedule adjustments directed by ALC.

**RATE OF PROGRESS**

- 12.1 If progress is deemed unsatisfactory by ALC, ALC may, at its discretion:
- (a) Engage additional resources to complete the works and recover associated costs from the Sub-Contractor
  - (b) Direct the Sub-Contractor to increase resources or accelerate works at no additional cost
  - (c) Reduce the Sub-Contract period or bring forward completion date
- 12.2 The Sub-Contractor shall have no entitlement to claim additional costs, losses, or damages arising from acceleration directions.

**FIXED LUMP SUM PRICE**

- 13.1 The Sub-Contract Sum shall be a fixed lump sum as outlined on the Sub Contractor Purchase Order, with no entitlement to adjustment due to fluctuations in labour, material, or supply costs, unless expressly stated otherwise in writing.
- 13.2 No claims for additional payment will be accepted unless approved in writing by ALC prior to works being undertaken.

**CONSTRUCTION DRAWINGS**

14.1 The Sub-Contractor must ensure only current, issued-for-construction drawings are used on site.

14.2 It is the Sub-Contractor's responsibility to confirm the latest drawing revision prior to commencement and during the works.

14.3 Claims arising from use of superseded or incorrect drawings will not be accepted.

**STATUTORY APPROVALS & FEES**

15.1 The Sub-Contractor is responsible for obtaining all required statutory approvals, certifications, inspections, and permits, including payment of associated fees, unless otherwise agreed in writing.

**WORKING TIME & OVERTIME**

16.1 The Sub-Contractor shall not perform works outside approved site working hours without prior written consent from ALC.

16.2 Overtime costs shall be borne by the Sub-Contractor unless expressly approved in writing by ALC.

16.3 The Sub-Contractor must comply with site-specific working time requirements and any local council or authority restrictions.

**SITE INDUCTIONS, SAFETY & REPORTING**

16A.1 All Sub-Contractor personnel must provide required documentation (drivers licence, competency certificates, relevant clearances etc) and complete relevant site inductions prior to commencing work.

16A.2 The Sub-Contractor shall comply with all ALC Integrated Management System, Site Safety and Quality Standards.

16A.3 The Sub-Contractor must immediately report all incidents, near misses, hazards, injuries, property damage, and non-conformances to ALC immediately.

16A.4 Required PPE must be worn at all times, in accordance with site-specific rules.

16A.5 Failure to comply with safety or reporting requirements may result in immediate removal from site or suspension of works.

**TERMINATION & INSOLVENCY**

17.1 ALC may suspend or terminate this Sub-Contract if the Sub-Contractor:

- Defaults in performance or breaches contract obligations
- Fails to meet required progress or quality standards
- Suspends works without valid reason
- Subcontracts or assigns work without written approval
- Becomes insolvent, bankrupt, or enters external administration

17.2 Upon termination, ALC may:

- Take possession of the works
- Engage others to complete the works at the Sub-Contractor's cost
- Deduct completion costs from any monies owing
- Recover additional damages or losses incurred

**DISPUTE RESOLUTION**

18.1 Any dispute of difference whatsoever, which cannot be resolved by the two parties, in conjunction with this sub-contract shall be submitted to arbitration in accordance with and subject to, the Arbitrations Australia rules for the conduct of commercial arbitrators.

18.2 Work shall continue during dispute resolution, unless directed otherwise by ALC.

**GENERAL**

19.1 ALC may set-off amounts across projects where applicable.

19.2 This agreement remains enforceable even if one clause is found invalid