

Contractor Forms

Build Your Bliss™

Sue Hough

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I want to start out by thanking you for taking the time to read my Bigger Pockets Blog and go the extra mile and click on the snazzy link which brought you here. I love everything construction and it is my sincerest hope I can help you on your journey into building great things.

Enclosed is a collection of documents to help you on your way. They are invaluable to me and I use them every day in one form or another to keep my business running smoothly. It took me many years to learn, usually the hard way, the value each document contains and how it plays in protecting my projects. I am glad to share these with you in the hopes it will make your life a bit easier.

The more professional you conduct your business, the more respect you will receive. The higher value you place on your subcontractors the higher value they will place on you, and inevitably your project will be completed faster and of a far higher quality of work. As you approach every project with the importance it deserves you will become more comfortable putting everything in writing, collecting waivers and discussing the hard topics so everyone can understand with complete clarity what is expected.

Legal Disclaimer; in an attempt to keep my attorney happy I am obligated to inform you I am not an attorney nor am I a legal professional, I am a run of the mill builder/developer. Therefore, all of the information in this lovely packet is for informational purposes only and is not legal advise. None of the information contained in this packet should be used before you consult your attorney. So take a deep breath and give your attorney a call.

I wish you the best of luck and hope these documents will help you run your projects far more successfully. Please feel free to reach out to me should you have any questions or just want to shoot the sh*t!! You can always reach me directly at sue@augustlimited.com or my direct phone is 847-630-4566.

Thank you,

Sue Hough



BEST PRACTICE

PROJECT SEQUENCING

1. In larger projects the exterior excavation and foundation is first.
2. Demolition
3. Framing change any walls; windows, doors, etc
4. Plumbing. Plumber will need all shower faucets and tubs for rough install.
5. HVAC
6. Electric
7. Framing again to repair any damage the above trades may have caused. Also frame “backout” which is a term referred to framing which supports all drywall at corners and ceilings.
8. Insulation
9. Window installation should not go past this point, but can go before
10. Drywall
11. Prime walls and ceilings
12. Tile/stone install
13. Hardwood flooring or engineered flooring
14. Protect the heck out of your floors. Ram board in common walk areas and rosin paper everywhere else.
15. Cabinet and vanity install
16. Interior doors
17. Casing (trim around doors and windows)
18. Baseboard and shoe
19. Crown can go in any time after cabinets
20. Granite/countertops
21. Tile backsplash in kitchen
22. Appliances
23. Finish plumbing
24. Finish paint
25. Finish electric
26. Final touches; cabinet hardware, lock sets, HVAC covers, etc.
27. Carpet

SCOPE OF WORK

Outcome

- 1. Brief description of the entire project and what is expected in the end;

- 2. Include photography – use a shared cloud based source. Link and password below;

- a. Kitchen
- b. Bathrooms
- c. Exteriors

- 3. Expected start and completion dates

Expected Work – *In Mind Numbing Detail!!*

- 1. Kitchen

- 2. Bathroom(s)

- 3. Common areas

- 4. Exterior

- 5. Mechanicals

- a. Plumbing

- b. HVAC

- c. Electric

- 6. Include any plans; blueprints, engineering

- 7. Make all permits available

Materials Necessary

- 1. Materials you will provide – don't forget dumpsters

- 2. Materials sub-contractor will provide

PROPOSAL

Subcontractor's Company
Company Address
License Number (if applicable)

Date
Project Address

Description of Work to Be Performed
Materials provided
Timeframe of work

Total Cost
Terms of Payment

CHANGE ORDER

Specific Item(s)

1. Describe item(s) which are reasonably unforeseen

2. Change of schedule?

3. Total cost

Sub-Contractor Signature

Date

Your Name

Date

Subcontractor Agreement

Date:

This agreement is entered into between _____ ("Company") and _____ ("Subcontractor") and replaces any prior Contracts or Agreements between _____ and Subcontractor.

ARTICLE 1. SCOPE OF WORK

- 1.1** Subcontractor has heretofore entered into a contract with said Contract to furnish all **labor, materials and equipment** to perform all work listed upon approved Proposal which shall be submitted to Company prior to work being performed. Such proposal shall be emailed to _____ (email address) with written electronic confirmation as proof of acceptance by _____. No exceptions shall be given.
- 1.2** This Contract shall serve as ongoing between _____ and Subcontractor for a period of time as long as the two parties continue to provide work/services. All subsequent terms shall be applied to each project/customer.

ARTICLE 2. PAYMENT TERMS & CONTRACT PRICE

- Invoices must be emailed to _____ (email address)
- Invoices must be for completed work only; therefore, _____ does not pay deposits unless agreed upon in this document. It is _____'s policy to pay Subcontractors after payments are collected from the client.
- Invoices must be submitted on _____'s Subcontractor Payment Request. It can be in conjunction with the Subcontractor's own invoice or on its own. All payment requests must include a copy of the _____ Subcontractor Payment Request.
- _____ reserves the right to adjust the payment request if the amount billed does not match the work completed or if the work was not performed properly. _____ will notify the subcontractor of the adjustment and will provide explanation.
- Lien Waivers must be provided with each payment request.
- **PLEASE NOTE: Payments will not be made without this signed _____ contract on file, an invoice and current general liability and workers compensation insurance certificates. Completed W-9 is also required**
- Final payment invoices can only be submitted after:
 - A final walkthrough has been done with a _____ representative. It is the subcontractor's responsibility to schedule this walkthrough.
 - All inspections are passed and all punch list items have been completed
- Final payments are made to the Subcontractor within 20 business days after all inspections are passed, all punch list items are complete.

ARTICLE 3. TIME OF COMPLETION & INSPECTIONS

- 3.1 Subcontractor shall keep both an adequate size and properly trained crew on the job site so as to complete the project within the project schedule determined by _____. _____ has the right to terminate this contract if schedules are not adhered to.
- 3.2 _____ will schedule and be present for the initial inspection. If the inspection does not pass, it is the responsibility of the sub-contractor to repair the deficiency and reschedule the inspection within 2 working days. The subcontractor must also attend the inspection or pay a fee to _____ of \$500.00 per occurrence.

ARTICLE 4. CHANGE ORDERS

- 4.1 Subcontractor understands and agrees that no change orders or contract additions will be made unless agreed to in writing by _____. If any additional work is performed and not covered in this contract, the Subcontractor proceeds at his own risk and expense. Verbal approvals (by anyone) are not recognized by _____. It is the subcontractor's responsibility to ensure written approval from _____ is obtained prior to beginning any change order work.
- 4.2 Subcontractor will not perform additional work with the owner directly unless authorized in advance by the contractor in writing.

By signing below subcontractor agrees not to perform and or bill for any change orders not agreed to in advance of performing work and a written Purchase Order is executed by _____.

Subcontractor Signature: _____

ARTICLE 5. _____ POLICIES

- 5.1 _____ is adamant about maintaining a clean, presentable and safe construction site. _____ expects the Subcontractor to represent _____ while performing work on _____ projects and to have the same passion and pride about the work site. Subcontractor shall be responsible for cleaning up the job on a daily basis, including all generated construction debris, drink cans, food wrappers, cigarette debris, and/or other trash. If the subcontractor fails to clean all debris each day _____ reserves the right to back-charge the subcontractor no less than \$250.00 per occurrence. Back-charges will be directly deducted from any monies due.
- 5.2 Subcontractor shall be responsible for maintaining a safety program for its employees and insure that safe practices are used when performing all work.
 - Drug and alcohol use on the job site are strictly prohibited.
- 5.3 Sanitary facilities are provided by the contractor. Subcontractors must use the facility provided in lieu of clients' bathroom if available.

- 5.4 When on _____ projects, subcontractors are there as a representative of _____
- Unprofessional discussions regarding the subcontractor's personal life, opinions, etc. with the homeowner are not acceptable.
 - Unprofessional behavior – cursing, slamming things around, yelling, handling of client's personal affects, etc. is not permitted and will result in removal from the project.
 - If a subcontractor runs into ANY issues at the job (missing pieces, needing more materials, etc.), they must call the Company office. It is not to be discussed or mentioned to the homeowner.
- 5.5 _____ inspects all Subcontractors' work. If there are items that are deemed deficient or incomplete, _____ will notify the Subcontractor. It is the Subcontractor's responsibility to respond to the _____ office within two business days of receiving the notice to discuss the solution.
- If it is work that is critical to maintaining the schedule for the project, the Subcontractor has two business days to correct.
 - If it is not critical to maintain the schedule, the Subcontractor has 5 days to complete.
 - If the work is not completed within these time parameters, _____ will take any necessary action to remedy the incomplete or deficient work. Any and all costs associated with these actions will be back charged to the Subcontractor.

ARTICLE 6. SUBCONTRACTOR PERFORMANCE

- 6.1 Subcontractor shall pay for all materials and supplies furnished and for all work, labor and services performed as required under this Contract, shall produce satisfactory evidence of such payment upon demand by the Contractor, and shall indemnify Contractor and Owner against and save them and the premises harmless from any and all claims, demands, liens or suits, including attorney's fees and costs, for all such material and supplies purchased and for all work, labor and services performed by others than Subcontractor relating to all work required to be performed under this Subcontract.
- 6.2 The subcontractor understands and agrees that it is an independent contractor and that it shall be responsible for and pay any and all taxes, contributions, fees, and similar expenses imposed directly or indirectly for its work, labor, material, and services required by or relating to this contract.
- 6.3 Subcontractor is prohibited from; soliciting work from any Customer, providing or exchanging business information between Subcontractor and Customer, referring any company or service other than Company for all current or future work. This non-compete agreement is in effect for 24 months from the date work commences at each job site. In the event Subcontractor engages in or refers any other service provider who performs work for Customer, Subcontractor shall owe immediately to Company no less than 125% of the total value of service provided by Subcontractor or any service provider referred by Subcontractor.

ARTICLE 7. INSURANCE AND INDEMNITY

7.1 Indemnification and Subcontractor's Liability

Subcontractor hereby assumes the entire responsibility and liability for all Work, supervision, labor and materials provided under any Work Order issued pursuant to this Subcontract. Whether or not erected in place. And for all plant, scaffolding, tools, equipment, supplies and other things provided by Subcontractor until final acceptance of the entirety of the Work by _____.

In the event of any loss, damage or destruction thereof from any cause. Subcontractor shall be liable therefore, and shall repair, rebuild and make good said loss, damage or destruction at Subcontractor's cost, subject only to the extent that any net proceeds are payable under any builder's risk property insurance that may be maintained by Owner or _____. If any Subcontractor shall be liable to _____ for all costs _____ incurs as a result of any failure of Subcontractor, or any of its suppliers or subcontractors of any tier to perform.

To the fullest extent permitted by law, the Subcontractor shall indemnify, defend, and hold harmless the _____, Owner and their respective officers, directors, employees and agents ("Indemnified Parties") from and against all claims, damages, demands, losses, expenses, fines, causes of action, suits or other liabilities. (Including all costs reasonable attorneys' fees, consequential damages, and punitive damages), arising out of or resulting from, or alleged to arise out of or arise from, the performance of Subcontractor's Work under the Subcontract, and any Work Order whether such claim, damage, demand, loss or expense is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, but only to the extent attributable to the negligence of the Subcontractor or any entity for which it is legally responsible or vicariously liable and regardless whether the claim is presented by an employee of Subcontractor.

Such indemnity obligation shall not be in derogation or limitation of any other obligation or liability of the Subcontractor or the rights of _____ contained in this Contract or otherwise. This indemnification shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Subcontractor under any workers' compensation acts, disability benefits acts or other employee benefits acts and includes any loss or injury suffered by an employee of the subcontractor. This indemnification shall be in addition to any indemnity liability imposed by the Contract Documents and shall survive the completion of the Work or the termination of the Subcontract. Subcontractor's assumption of liability is independent from, and not limited in any manner by the Subcontractor's insurance coverage obtained pursuant to Article 7.2 or otherwise.

7.2 Subcontractor's Insurance

Prior to commencing the Work. Subcontractor shall procure and thereafter maintain, at its own expense until final acceptance of the Work or later as required by the terms of the Subcontract or any individual Work Order, insurance coverage required by the Contract Documents and this Subcontract. At a minimum, and subject to modification in individual Work Orders the types of insurance and minimum policy limits specified shall be maintained in a form and from insurers acceptable to Contractor as set forth below. All insurers shall have at least an A- (excellent) rating by A. M. Best and be qualified to do business in the state where the project is located. This insurance will provide a defense and indemnify the Contractor but only with respect to liability for bodily injury, property damage and personal and advertising injury caused in whole or in part by the Subcontractor's acts or omissions or the acts or omissions of those acting on the Subcontractors behalf.

Proof of this insurance shall be provided to _____ before the work commences as set forth below To the extent that the Subcontractor subcontracts with any other entity or individual to perform all or part of the Subcontractor's work. The Subcontractor shall require the other Sub-Subcontractors to furnish evidence of equivalent insurance coverage, in all respects, terms and conditions as set forth herein, prior to the commencement of work by the Sub- Subcontractor. In no event shall the failure to provide this proof

prior to the commencement of the Work, be deemed a waiver by _____ of Subcontractor's or the Sub-Subcontractor's insurance obligations set forth herein. In the event that the insurance company(ies) issuing the policy(ies) required by this exhibit deny coverage to _____ the Subcontractor or the Sub-Subcontractor will, upon demand by _____, defend and indemnify _____ at the Subcontractor's or Sub-Subcontractor's expense

Commercial General Liability Insurance

\$1,000,000 Each Occurrence Limit (Bodily injury and Property Damage)

\$2,000,000 General Aggregate per Project

\$2,000,000 Products & Completed Operations Aggregate

\$1,000,000 Personal and Advertising Injury Limit

Workers' Compensation and Employers' Liability Insurance (if employees are present)

\$100,000 Each Accident

\$100,000 Each Employee for Injury by Disease

\$500,000 Aggregate for Injury by Disease

_____ along with their respective officers, agents and employees, shall be named as additional insureds for Ongoing Operations and Products/Completed Operations on the Subcontractor's and any Sub-Subcontractor's Commercial General liability Policy, which must be primary and noncontributory with respect to the additional insureds. The Subcontractor shall continue to carry Completed Operations Liability Insurance for at least three (3) years after either ninety (90) days following Substantial Completion of the Work or final payment to Company on any individual Project, whichever is later. It is expressly understood by the parties to this Subcontract that it is the intent of the Parties that any insurance obtained by Company is deemed excess, non-contributory and not co-primary in relation to the coverage(s) procured by the Subcontractor. The Sub-Subcontractor or any of their respective consultants, officers, agents, subcontractors, employees or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of the aforementioned may be liable by operation of statute, government regulation or applicable case law.

To the fullest extent permitted by applicable state law, a Waiver of Subrogation Clause shall be added to the General Liability. Automobile and Workers Compensation policies in favor of Company and Owner, and this clause shall apply to _____'s officers, agents and employees, with respect to all Projects during the policy term

Prior to commencement of Work on any individual project Subcontractor shall submit a Certificate of Insurance in favor of _____ and an Additional Insured Endorsement (in a form acceptable to _____) as required hereunder. The Certificate shall provide for thirty (30) days' notice to Company for cancellation or any change in coverage. Copies of insurance policies shall promptly be made available to _____ upon request.

The Subcontractor shall maintain, at his own expense, full and complete insurance on its work until final approval of the work described in the contract. Subcontractor shall maintain Commercial Auto & Workers Compensation coverage. The minimum requirement and limit should not be less than \$1,000,000 for General Liability.

7.3 If the subcontractor fails to maintain a policy or makes a false representation of having insurance Company

can withhold payments to cover said insurance costs to Company. If the Subcontractor has been paid in full it is the full obligation of the subcontractor to reimburse Company for all costs incurred within 15 days of notice.

7.4

Subcontractor shall provide _____ with certificates of insurance from all Sub-Subcontractors that are employed by the Subcontractor in the performance of this Contract. The Subcontractor must require each Sub-Subcontractor to maintain during the progress of the work insurance with the minimum limits and coverages as outlined in Paragraphs (a) through (d) of this Subcontract. The Sub-Subcontractor shall endorse their Commercial General Liability and Umbrella Liability insurance to include _____, the Owner, and others so designated within Contract Documents as Additional Insureds, on ISO Additional Insured Endorsement (CG 20 10 11 85) or equivalent. The coverage afforded the Additional Insureds under the Subcontractor's policy shall be Primary Insurance, Non-Contributory, and include completed operations. If the Additional Insureds have other insurance which is applicable to the loss, such other insurance shall be on an excess basis. The amount of the Sub-Subcontractor's liability under this policy shall not be reduced by the existence of other insurance. The Sub-Subcontractor must endorse the Worker's Compensation and General Liability with waiver of subrogation in the favor of _____. Certificates of Insurance for Sub-Subcontractors must be submitted along with the Subcontractors Certificate prior to being allowed on the job.

7.5

The Subcontractor must have workers compensation coverage including coverage for owner if the owner is performing the work. _____ assumes no responsibility for jobsite injury's and by signing this agreement the Subcontractor holds Company, its principals and employees harmless of any and all claims. Furthermore, _____ is not agreeing to or authorizing the Subcontractor to use employees without workers compensation coverage.

7.6

Subcontractor shall indemnify and save _____ harmless from and against any liability, claim, loss, expense, damage or cause of action, including court costs and attorney's fees, resulting in any manner whatsoever, directly or indirectly, from Subcontractor's failure to comply with the provisions of this Article of this Contract.

ARTICLE 8. WARRANTY

8.1

Subcontractor shall warranty all labor, materials and equipment furnished on the project for one year against defects in workmanship or materials utilized. Subcontractor shall provide warranty in writing before final payment is requested.

ARTICLE 9. ARBITRATION OF DISPUTES & ATTORNY FEES

9.1

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

9.2

In the event the Subcontractor should at any time fail to perform the work with promptness, due diligence, and or conscientiousness, Company shall have the right to terminate this agreement for cause after three (3) days' notice to the subcontractor (unless within said three (3) day period the subcontractor begins to

remedy such failure). In the event of termination by _____, _____ shall finish the subcontractor's work or have it finished. After all payments are made for finishing the work, the builder would pay the subcontractor any balance remaining.

ARTICLE 10. SAFETY

10.1 _____ makes no representation with respect to the physical conditions or safety of any Project Site. The Subcontractor shall at, its own expense, preserve and protect from injury its employees engaged in the performance of the work and all property and persons which may be affected by its operations in performing the work. The prevention of accidents to workers engaged in the work and others affected by the Work is the responsibility of the Subcontractor and Subcontractor shall comply with all federal, state labor and local laws. Regulations and codes concerning safety as shall be applicable to the work and to the safety standards established by _____ during the progress of the work Subcontractor shall indemnify, defend and hold harmless _____, owner(s) and their respective officers directors, agents and employees from any costs, expenses or liability (including attorneys' fees, fines or penalties) arising out of the Subcontractor's failure to comply with the aforesaid laws, regulations and codes.

ARTICLE 11. INDEPENDENT CONTRACTOR AGREEMENT

11.1 The Subcontractor certifies that (s)he is, or that prior to the commencement of work under this Subcontract he will become, an "independent contractor" and "employing unit" subject, as an employer, to all applicable statutes and regulations with respect to such status. Subcontractor agrees to defend _____ against any claim or assertion of an employer/employee relationship between _____ and Subcontractor's workmen, and to indemnify and hold Company harmless against any expense or liability imposed upon Company by reason of a finding of such employer relationship.

IN WITNESS WHEREOF. The parties by their duly authorized representatives have hereunto executed this Subcontract on the day and year first above written.

Date

Subcontractor Name and Company

Date

PARTIAL WAIVER OF LIEN TO DATE

State of Illinois

County of _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by _____ to furnish _____ for the premises known as _____ (address of property) of which _____ (name of property owner) is the owner.

The undersigned, for and in consideration of _____ (nt this payment) (\$ _____), and other good and valuable considerations, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens, with respect to and on said above-described premises, and the improvement thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of all labor, services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described premises, *including extras**

Date: _____ Company Name: _____
Address: _____

SIGNATURE AND TITLE: _____

*Extras include but are not limited to change orders, both oral and written to the contract

CONTRACTOR'S AFFIDAVIT

State of Illinois

County of _____

TO WHOM IT MAY CONCERN:

The undersigned _____ (name of signor) being duly sworn, deposes and says that he/she is the _____ (position) of _____ (company name) who is the contractor furnishing _____ (type of work) work on the building located at _____ (property address) which is owned by _____ (property owner name)

That the total amount of the contract including *extras** is \$ _____ (contract amount) on which he or she has received payment of \$ _____ (prior payments) prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names and addresses of all parties who have furnished material or labor, or both, for said work and all parties having contracts or subcontracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications.

Name and Address	What For	Contract Price Incl <i>Extras*</i>	Amount Paid	This Payment	Balance Due

*Extras include but are not limited to change orders, both oral and written to the contract.

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE: _____ SIGNATURE; _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____

NOTARY PUBLIC

FINAL LIEN WAIVER

State of Illinois

County of _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by _____ (name of contractor or owner) to furnish for the premises known as _____ (address of property) of which _____ (name of property owner) is the owner.

The undersigned, for and in consideration of _____ (amount this payment) (\$ _____), and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens, with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the monies, funds or other considerations due or to become due from the owner, on account of labor services, material, fixtures, apparatus or machinery, heretofore furnished, or which may be furnished at any time hereafter, by the undersigned for the above-described premises.

Date: _____ Company Name: _____

Address: _____

SIGNATURE AND TITLE: _____

*Extras include but are not limited to change orders, both oral and written to the contract

CONTRACTOR'S MATERIAL AFFIDAVIT

State of Illinois

County of _____

TO WHOM IT MAY CONCERN:

The undersigned _____ (name of signor) being duly sworn, deposes and says that he/she is the _____ (position) of _____ (company name) who is the contractor furnishing _____ (type of work) work on the building located at _____ (property address) which is owned by _____ (property owner name)

That the total amount of the contract including extras* is \$ _____ (contract amount) on which he or she has received payment of \$ _____ (prior payments) prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names and addresses of all parties who have furnished material or labor, or both, for said work and all parties having contracts or subcontracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications.

Name and Address	What For	Contract Price Incl Extras*	Amount Paid	This Payment	Balance Due

*Extras include but are not limited to change orders, both oral and written to the contract.

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE: _____ SIGNATURE: _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____

NOTARY PUBLIC