

Subcontractor agreement template

This Subcontractor Agreement (this "Agreement") is made and entered into as of date _____ (the "Effective Date"), by and between [CONTRACTOR NAME] (the "Contractor") of the following address: _____ and [SUBCONTRACTOR NAME] (the "Subcontractor") of the following address: _____.

PROJECT: (Description of Project and Location)

Collectively, the Subcontractor and the Contractor will hereinafter be referred to as the "parties".

Recitals

Whereas, the Contractor has deals made (the "Contract") with existing or prospective clients (the "Client") to offer services as required; and

Whereas, the Contractor wishes to hire the Subcontractor, who has the required qualifications, skills and experience, for all the work and materials (the "Services") required to be done as outlined in the Task order (the "Task Order"); and

Whereas, the parties wish to set forth the terms and conditions upon which any Subcontractor support may be provided to the Contractor;

NOW THEREFORE, in consideration of the just stated, and of the mutual covenants and obligations set forth herein, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. SCOPE OF WORK

The Subcontractor will begin work within ____ days from notification by the Contractor. The Contractor is not obligated to award any work to the Subcontractor under this Agreement. But, in case such work is awarded, the Subcontractor agrees to perform Services, as required by the Task Order, unless specifically excluded by written agreement with the Contractor. Services will be rendered at the address specified in the task order.

2. TASK ORDER

A Task Order is a written document between Contractor and Subcontractor, which has the power to authorize Services to be performed by the Subcontractor. It needs to have the following information:

1. Description of Services to be rendered by the Subcontractor
2. Timeframe and schedule to deliver the Services
3. If the Services rendered by the Subcontractor will be charged at an hourly rate ("Time and Material (T&M)") or fixed price ("Firm Fixed Price (FFP)")
4. Hourly Rate(s) or FFP

All Task Orders will, explicitly or implicitly, incorporate the terms and conditions of this Agreement. In case of any conflict or inconsistency between the Task Order and this Agreement, the terms and conditions of this Agreement shall take precedence, unless specifically mentioned otherwise in the Task Order.

In case the Contractor wishes to change any requirement in the Task Order, relating to undelivered Services, a written notice needs to be shared with the Subcontractor. And if the change warrants a review of the price or schedule, the Subcontractor is expected to notify the Contractor within 30 business days of receiving the change notice. Then, both parties are expected to negotiate and amend the relevant Task Order with the changed price and schedule.

3. TERM

The term of this Agreement shall start on the Effective Date and end ____ year thereafter (the "Term"), unless either party terminates this Agreement. With written consent from both Parties, the Term of this Agreement may be extended.

In case a Task Order is authorized within this Agreement's Term, where the completion date of the Services is beyond the end date of this Agreement, then the Task Order shall be considered as a written modification of this Agreement, and will signify the extension of the end date of this Agreement to coincide with the Task Order completion date.

4. PAYMENT FOR WORK

The Contractor agrees to compensate the Subcontractor for all labor, materials, equipment, services, and everything necessary for completion of the Services in accordance with the applicable Task Order.

For T&M arrangements, the Subcontractor is responsible for the payment of overtime compensation (if any) to its employees, and shall not bill the Contractor for the same. By execution hereof, the Subcontractor certifies that the rates it charges do not exceed the lowest rate charged to others for Services of the same nature, as is outlined under this Agreement. All FFP work will be paid as per the price and milestones specified in the Task Order.

Only travel and other Direct Costs (telephone calls, books, office supplies, postage, shipping) pre-approved in writing by the Contractor will be reimbursed. The reimbursement will be on an actual cost basis, without any markup or handling fees.

5. INVOICING & PAYMENT TERMS.

A separate invoice needs to be submitted by the Subcontractor for each Task Order. The Contractor is obligated to pay the Subcontractor within _____ days of receiving a valid and approved invoice.

6. CLIENT INTERACTION

The Subcontractor may have direct access and communication, solely related to the provisioning of Services, with the Client, during the Term of the Task Order. Furthermore, while delivering the Services, in case of any potential follow on or new business opportunities with the Client, the Subcontractor is mandated to disclose the same to the Contractor.

7. SUBCONTRACTING

The Subcontractor agrees that without the prior written consent of the Contractor, the former may not subcontract, either in whole or in part, Services that need to be completed as per a Task Order.

In the event that the Contractor consents to subcontracting, the Subcontractor must obtain, from each Subcontractor, a written agreement that is similar to this Agreement in terms of (but not limited to) Customer Interactions, Intellectual Property, Confidentiality, Non-compete, Subcontracting, Indemnification, Limitation of Liability and Insurance.

8. CONFIDENTIALITY

“Confidential information” refers to any information or material that is proprietary, not in the public domain, and commercially valuable to the party that has disclosed the information in confidence (“Disclosing Party”). This includes, but is not limited to, all information from the Client and other information secured as a result of this Agreement.

Both Parties hereby agree that they shall not share Confidential Information with third parties during the tenure, and 3 years following the termination, of this Agreement. The Parties also agree to not commercialize or disclose the Confidential Information for any purpose except those detailed herein - unless specifically permitted in writing by the Disclosing Party.

9. INTELLECTUAL PROPERTY

The Subcontractor may create intellectual property (the "Intellectual Property"), during the delivery of Services as per this Agreement. This Intellectual Property may include, but not be limited to, plans, designs, drawings, specifications, forecasts, analyses, evaluations, source code and artwork. Unless otherwise agreed in writing, all such Intellectual Property created by the Subcontractor (whether complete or in progress), during the Agreement period, will belong to the Contractor.

Further, the Subcontractor is granted no right, title, or interest in any of the Contractor's Intellectual Property, except for the limited license to use what is necessary in order to perform Services under this Agreement.

10. NON-COMPETE

The Subcontractor, alongwith their employees and representatives, are legally required to refrain from engaging, directly or indirectly, with competitors of the Client. This clause is enforceable for the Term of this Agreement and then for a period of 1 (one) year following the termination of this Agreement.

11. INDEMNIFICATION

To the extent permitted by the law, the Subcontractor agrees to indemnify and hold harmless the Contractor and Client, as well as their employees, agents, and/or representative, from and against any and all claims, damages, losses, penalties, expenses, reasonable legal fee and costs of any kind or amount resulting from (a) any negligent act or omission or willful misconduct (b) the breach of any provision of this Agreement by the Subcontractor or its personnel. This indemnification clause will survive the termination of this Agreement.

12. INSURANCE

The Subcontractor is bound to maintain adequate insurance coverage and minimum coverage limits for its business, according to applicable laws. Further, the Subcontractor agrees that the dearth of insurance coverage shall limit any liability that the Contractor may have under this Agreement or any related Task Orders.

13. EVENT OF DELAYS OR DEFAULTS

Whichever party defaults on the date, service and time as specified in this Agreement or Task Order will be considered to be in breach of this Agreement.

14. TERMINATION

The Contractor may terminate this Agreement and/or individual Task Orders, without liability at any time, provided there is a written notice shared with the Subcontractor. The Contractor may also terminate (via a written notice) this Agreement or any related Task Order, if the Subcontractor breaches any of the clauses provided herein. On the other hand, if the Subcontractor wishes to terminate the Agreement, they need to provide a relevant written notice at least 30 days prior, and also ensure that there are no active Task Orders at the time notice is served.

15. MISCELLANEOUS PROVISIONS

a. **Governing law.** The Parties agree that this Agreement shall be interpreted in accordance with the [STATE NAME] law.

b. **Entire Agreement.** Both Parties agree that this Agreement represents the entire agreement between the Parties, and supersedes all other agreements between the Parties. This Agreement may not be changed orally. All changes to the terms of this Agreement need to be done in writing and signed-off by both Parties

c. **SEVERABILITY.** IN THE EVENT ANY PROVISION OF THIS AGREEMENT IS FOUND TO BE INVALID OR UNENFORCEABLE, IN WHOLE OR IN PART IN ANY JURISDICTION, IT SHALL NOT AFFECT THE VALIDITY OF THE REST OF THE AGREEMENT. ALL OTHER PROVISIONS, WITHIN THIS CONTRACT, SHALL REMAIN IN FULL FORCE AND EFFECT, ENFORCEABLE IN THE COURT OF LAW IN ANY OTHER JURISDICTION.

d. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR DAMAGES RESULTING FROM OR CONNECTED WITH ANY PART OF THIS AGREEMENT, SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR BUSINESS, FAILURE OF DELIVERY OR EXTRA DELIVERY CHARGES - WHICH ARE NOT RELATED TO OR A DIRECT RESULT OF EITHER PARTY'S NEGLIGENCE OR BREACH.

e. **NOTICE.** All written notices provided for or allowed under this Agreement shall be deemed effective upon receipt, and shall be sent to the address of the recipient specified above.

IN WITNESS WHEREOF, this Subcontractor Agreement is signed off by the duly authorized representatives, of both parties, as of the Effective Date.

Date: _____

Name of the Contractor

Signature of the Contractor

Date: _____

Name of the Subcontractor

Signature of the Subcontractor