

## Terms & Conditions for RFQ and Contract between Appselec and the appointed sub-contractor

### Definitions

**Sub-contractor** – The company who is to carry out construction work or supply related goods and services for **Appselec** under a construction contract.

**Sub-sub-contractor** – A contractor engaged by the **sub-contractor** to complete works obligated under the purchase order arrangement.

**Appselec** – **Appselec Pty. Ltd.**

**Sub-contract** – The contract entered into by **Appselec** and the **sub-contractor** in line with the works outlined in the contract purchase order and the following terms and conditions.

**Head-contractor** – The builder/owner-occupier who is to carry out construction work or supply related goods and services for the **principal** under a construction contract.

**Head-contract** – The contract between **Appselec** and the **head-contractor**.

**Principal** - The person conducting the business or undertaking that commissions the building and construction work, i.e. the developer and their representatives.

**Practical Completion (PC)** – Contractual date of Practical Completion as determined and advised by the **head-contractor**.

1. **Appselec** terms and conditions shall apply to all contracts entered into between **Appselec** and its **sub-contractor**. By agreeing to proceed with works outlined in the purchase order the **sub-contractor** is considered to have accepted the following terms and conditions.
2. Where the **sub-contractor** has issued terms and conditions for any particular works, the **Appselec** Terms & Conditions shall take precedence.
3. Unless stated otherwise, the **sub-contractor** shall issue a monthly progress claim for payment. This is to reach the registered head office of **Appselec** by no later than the closest business day preceding 12th of a given month. This claim will be assessed and a valuation performed by **Appselec** within 14 days of receipt. The valuation will then be used by the **sub-contractor** to issue a tax invoice for the works to **Appselec**.
4. Approved payments will be made to the **sub-contractor** generally 45-60 days from the end of the month the progress claim is generated by the **sub-contractor**, on condition that item 3 is fully complied with.
5. The **sub-contractor** agrees to enter into this **sub-contract** on exactly the same terms and conditions that **Appselec** has entered into a contract with the **head-contractor**. The **sub-contractor** is to familiarise himself with the terms and conditions of the **head-contract** (available on request), as no claims will be entertained for lack of knowledge of these said terms and conditions. Should a conflict arise between the **Appselec** contract and the **head-contract** the more onerous requirement shall be provided.
6. The **sub-contractor** is deemed to have allowed for all working hours Mon-Saturday 7am-5pm as required to meet the overall contracted works. No claims for additional overtime will be granted where programme is not maintained or your installation requires out of hours works, e.g. after hours commissioning.
7. If for any reasons employees of the **sub-contractor** require the assistance of **Appselec** employees to aid in the completion of works, the **sub-contractor** acknowledges that all costs by time will be recouped by **Appselec** by way of a contra-charge against the purchase order.
8. The safety performance of **Appselec** is reflected directly by its employees and **sub-contractors**. All **sub-contractors** working for **Appselec** will require their own Project Specific Safety Manual inclusive of customised SWMS and procedures. **Appselec** reserves the right to refuse entry to site of any person or contractor that does not carry equal standards in safety to that of **Appselec**. Please refer to the Appselec Sub-contractor Pre-Commencement Checklist and PPE/Clothing Policy for minimum standards.
9. Certificates of Currency are required to be submitted with all Progress Claims. This is to include current Work Cover, Public Liability, Damage and Loss along with all employee contributions covered under the applicable agreements. Superannuation disclosure is mandatory in relation to employee contributions. Failure to comply will result in delays to payment terms (condition 4).
10. The **sub-contractor** will be required to issue a form of security for the works in the way of 2 x 2.5% bank guarantees (one for practical completion and one for defects liability period). Alternatively, a 10% retention will be deducted from all progress claims for this purpose.
11. The **sub-contractor** may not claim payment for variations against the original contract purchase order. **Appselec** will issue separate purchase orders for approved variations that the **sub-contractor** shall claim payment. A variation assessment by the **head-contractor** shall apply to **Appselec's sub-contractor**, e.g. should a variation be rejected by the head contractor, it shall be considered rejected to the **sub-contractor** in line with condition 5 of this document.
12. Where a site-Instruction is issued by the **head-contractor** or **Appselec** the **sub-contractor** shall action the works outlined in the instruction in a prompt and timely manner so as not to delay the construction programme. In the case of a variation being issued by the **sub-contractor** for the works outlined in the site-instruction, works must proceed regardless, and the variation review process shall follow in due course. Variations shall be raised within 3 working days of receipt of an instruction or documentation change deemed to financially impact the **sub-contractor's** contract.
13. The **sub-contractor** acknowledges that all the project documentation (not just electrical, security, communications) including architectural and interior drawings are

applicable to their contracted works. The **sub-contractor** is to fully familiarise himself with all project documentation for all the services to gain a full understanding of the project requirements. Quantities stated within the **sub-contractor** quotation shall be treated as indicative only (condition 19).

14. The **sub-contractor** shall issue all required insurances and work method statements before commencing works on site.

15. The **sub-contractor** is deemed to have allowed for all builders and associated works that applies to their installation, this includes, but is not limited to, cutting, coring, fire rating, chasing, delivery management, storage costs, etc. Any costs passed on to **Appselec** by the **head-contractor** will be recouped by **Appselec** by way of a contra-charge against the contract purchase order.

16. The **sub-contractor** is deemed to have allowed for all plant and equipment required to complete their installation unless otherwise agreed in writing by **Appselec**. Where a subcontractor requires the use of **Appselec** equipment the **sub-contractor** shall be charged the applicable hire rate.

17. The **sub-contractor** shall remove all rubbish and surplus material from the site and shall maintain the site in a clean and orderly manner. Where **Appselec** receives apportioned back charges pertaining to site maintenance (cleaning, minor damages etc.), **Appselec** reserves the right to pass these back charges on at a value proportional to the **sub-contract** value.

18. Where the use of alternative products has been agreed in writing, the alternative product shall be submitted for approval to the **head-contractor** via **Appselec**. In the instance that the alternative product is rejected, the **sub-contractor** shall be deemed to have allowed for and provide the specified product at the **sub-contractor's** expense.

19. It is the intent of the contract specification, documentation and drawings, to provide the **Principal** with a complete installation of finished work, thoroughly tested, put into service and "fit for purpose". Any item, of either a design and construction nature, apparatus, appliance, or material not shown on the drawings nor expressly mentioned in the specification which may be necessary to make the work complete and perfect in all respects and ready for operation, or which may be required by law or any authority having jurisdiction, even if not particularly specified, shall be furnished, delivered and installed by the **sub-contractor** at no additional expense.

20. The project documentation (including drawings, elevations, architectural, briefs and specifications) is intended to be mutually explanatory and complete, and all work called for in one, even if not by the other, shall be equally binding as if contained in both and shall be fully executed. Should a conflict arise between any of the tender documents the more onerous requirement shall be provided.

21. The **sub-contractor** shall check with the **Appselec** and the **head-contractor** initially and during the contract installation stages to ensure that the programme of equipment ordering and work scheduling complies with the contractor's programme of work on site. Such a programme shall be used to schedule the submission of drawings to prevent any delays being incurred. **Appselec** and the **head-contractor** reserve the right to adjust the programme during the course of the project.

22. It is the role of the **sub-contractor** to ensure the project document register (typically via Aconex) is routinely reviewed and to capture any changes that may arise. **Appselec** shall not be held responsible for any drawings not transmitted.

23. The **sub-contractor** shall warrant (in line with the PSDR) all work and equipment against defective workmanship and materials from the date of Commercial Acceptance until the end of the Defects Liability Period including the extension of any warranty provided by a manufacturer should it be for a lesser period. Rectify any outstanding works or faults which occur or are identified during the defects liability period.

24. The Defects Liability Period shall be the period (duration 24 months unless superseded by a longer product specific clause) following the granting of Commercial Acceptance. Where the manufacturers of items of equipment give standard warranty periods in excess of the Defects Liability Period, assign such warranties to the building owner prior to final completion.

25. Replaced items of equipment must carry a warranty covering a period equal in duration to the Defects Liability Period and dating from the time of installation of the replacement.

26. In the case of failure product being supplied/installed by the **sub-contractor** (through defect/fault/non-compliance etc.), any labour or material costs associated with the rectification/repair/re-installation both during construction or post completion, shall be at the **sub-contractor's** expense.

27. In the case that a **sub-contractor** is deemed by **Appselec** to be unable complete their contracted works in timely and effective manner, whether this is due to industrial/contractual disputes, insolvency, or a breach of these terms and conditions, **Appselec** reserves the right to cancel the **sub-contractors** contract and engage another party to complete the contracted works. All costs, including any delay costs, shall be deducted from the **sub-contractor's** contract value.

28. **Appselec** requires all **sub-contractors** and building industry participants to understand and adhere to the Australian Government Building Code – Building Code 2013 (and any future editions).

29. If the **sub-contractor** intends on engaging further **sub-sub-contractors** to perform works on **Appselec** projects, the **sub-contractor** is to request this in writing to the directors of **Appselec** and any request is subject to **Appselec** approval..