



Bids, Tenders and Proposals Podcast

Show Notes – Using Subcontractors

If you are a Contractor and you often put bids in to win Contract, then you would be familiar with the term, “Subcontractors” or “External Partners” when you are deciding whether you have the capacity to do a particular work or not.

Often Contractors are not fully geared to do all aspect of the project and you often have to resort to getting other contractors on board that will work under your banner to do the work, hence they are referred to as subcontractors.

In this podcast, we cover the things to consider for both the head Contractors and the Subcontractors.

Head Contractor

The head contractor is the one that takes on the responsibility to tender for the work and is the signatory to the executed contract. This means that if any thing was to go wrong, the head contractor will be responsible for it.

Things to consider when utilising subcontractors are:

1. Ensure that the subcontractor has give you a written quote
2. Ensure that you have appropriate contract with the subcontractors
3. Make sure the subcontractor understands the timelines of the project
4. Make sure the subcontractor has relevant insurances in place
5. Make sure the subcontractor has appropriate qualifications and licences that are needed.
6. Make you have the correct payment terms – so you don’t have to pay for something before you get paid.
7. Inform the Client of your subcontractor arrangements – often government organisation has a requirement in their Contract that the head contractor needs to provide a list of Contractors that are then approved.
8. During the tender phase, get the Subcontractor to do parts of the tender so they have the ownership of the tender and quality of the services.
9. Ensure confidentiality deeds are signed by all parties.
10. Exclusivity of the subcontractor to your bid.

Subcontractors

The subcontractors are businesses that provide parts of the service of the Contract that the head contractor has entered into. The subcontractor will be engaged by the head contractor and all

accountability, and responsibility of the work will be to the head contractor who will ultimately be responsible for the work under the contract.

Things to consider when acting as a subcontractor are:

1. Ensure you work with reputable contractors that will ensure a fair and reasonable outcome for you.
2. Have all relevant insurances
3. Ensure there is a Contract in place that will protect you and ensure that you are paid on time.
4. Keep records of everything that you do to ensure that it is not misrepresented by the Contractor
5. Have regular meetings with the Contractor to stay on top of things.
6. When tendering, be part of the tendering team.
7. Be clear on your part of the work, so you do not end up doing work that is outside of your scope.
8. Confidentiality deeds to protect your intellectual property (IP)

Thank you for joining us on this episode and I hope that you found this information that I've shared with you valuable.

Remember you can get other show notes at www.bitsmart.com.au and of course don't forget to let us know if there are any specific topics that you want us to address. You can contact us via the bitsmart.com.au contact form.

Until next time.....Good luck with your bids, tenders and proposals.

Bid Smart Team

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