

CONSTRUCTION RISK CHECKLIST > Pre-construction > Engage With Subbies

Good Subcontractors Don't Prevent Disputes. Clear Expectations Do.

Most residential building projects rely heavily on subcontractors.

Electricians, plumbers, roofers, painters, tilers, drainlayers, plasterers and many others play a critical role in delivering a successful project.

Yet many disputes between builders and subcontractors occur for a surprisingly simple reason: neither party had a clear understanding of what was expected.

The builder thought something was included. The subcontractor thought it was excluded. One party expected a different standard, timeframe or level of responsibility. By the time the misunderstanding is discovered, the work is already underway and the relationship is under pressure.

One of the most effective ways to reduce project risk is to ensure every subcontractor clearly understands their scope, responsibilities, programme requirements and commercial terms before work begins.

The objective is not to create unnecessary paperwork. The objective is to eliminate assumptions.

Subcontractor Engagement Checklist

Before engaging a subcontractor, make sure you can answer "Yes" to the following:

- 1. Has the scope of work been clearly defined?**
- 2. Have inclusions and exclusions been documented?**
- 3. Have programme dates and sequencing requirements been communicated?**
- 4. Have quality expectations and applicable standards been discussed?**
- 5. Have responsibilities for defects and rectification been clarified?**
- 6. Have variation procedures been explained?**
- 7. Have health and safety responsibilities been communicated?**

8. **Have insurance requirements been confirmed?**
9. **Have payment terms been documented?**
10. **Have all key terms been agreed in writing before work starts?**
11. **Does the subcontractor understand who they report to and how instructions will be issued?**
12. **Have any assumptions been identified and clarified?**

One of the biggest mistakes builders make is assuming that a subcontractor's quote automatically defines the scope of work. In reality, quotations often contain assumptions, omissions or different interpretations of the plans.

A short pre-start discussion can often prevent problems later. Walk through the scope, identify interfaces with other trades and discuss any areas where misunderstandings could arise. If something is critical to the project, don't assume it is understood, confirm it.

Programme expectations are equally important. A subcontractor may have allowed two days for a task while the builder's programme assumes it will be completed in one. Small differences like these can create significant delays when multiple trades are involved.

Variations should also be addressed before work starts. Subcontractors need to understand how changes will be approved, documented and priced. This reduces the likelihood of disagreements when unexpected work arises.

Most importantly, key terms should be documented. This does not necessarily require a lengthy legal agreement. Depending on the size and complexity of the project, it may be a subcontract agreement, purchase order, work order or written scope attached to an email. What matters is that both parties can refer back to a clear record of what was agreed.

Builders should remember that a subcontractor cannot be expected to meet expectations that have never been communicated. Before a subcontractor arrives on site, both parties should know exactly what is being done, when it is being done, how it is being done and who is responsible for what.

Because when expectations are clear from the beginning, disputes become far less likely at the end.