

## Sub-contractor Policy

### 1. Policy Statement

Structura Project Services LTD is dedicated to building strong, professional partnerships with reputable and competent sub-contractors to deliver high-quality services and projects for our clients. This **Sub-contractor Policy** outlines the stringent requirements, expectations, and operational guidelines for all entities engaged by Structura to perform work on our behalf. We are committed to fostering collaborative relationships built on trust, transparency, and mutual adherence to legal, ethical, safety, quality, and financial standards. Our aim is to ensure compliant engagement, mitigate risks, uphold Structura's reputation for excellence, and provide fair and timely payment in accordance with agreed terms.

### 2. Scope

This policy applies universally to **all sub-contractors (sole traders, partnerships, limited companies, etc.)** engaged by Structura Project Services LTD for any work activity, regardless of its size, duration, or location.

It particularly applies to specialist trades, including but not limited to **electrical, plumbing, and gas works**, where specific certification and commissioning requirements necessitate dedicated payment and retention clauses.

This policy applies to all Structura employees involved in sub-contractor selection, procurement, project management, financial processing, and quality control.

### 3. Definitions

- **Sub-contractor:** Any individual or entity engaged by Structura Project Services LTD to perform specific works or services as part of a larger project or contract.
- **Construction Operations:** As defined by HMRC for CIS purposes (refer to cis-policy).

- **\*\*CIS (Construction Industry Scheme):**  
\*\* UK tax scheme for the construction industry (refer to cis-policy).
- **Gross Payment Status:** CIS sub-contractor status allowing full payment without tax deductions.
- **Retention:** A percentage of the contract value withheld by Structura until specific conditions (e.g., project completion, defect-free period, commissioning, certification) are met.
- **Commissioning:** The process of ensuring that building systems and equipment (e.g., electrical, HVAC, plumbing) are installed, tested, and operate according to the design specifications.
- **Certification:** Formal written confirmation by a competent authority or individual that works meet required standards, regulations, or safety criteria (e.g., electrical installation certificate, Gas Safe certificate).
- **Defect Liability Period (DLP):** A period following project completion during which sub-contractors are responsible for rectifying any defects.
- **Damages:** Monetary compensation sought by Structura for loss or injury suffered due to a sub-contractor's breach of contract, negligence, or other wrongful act.

## 4. Principles of Sub-contractor Engagement

Structura's engagement with sub-contractors is founded on:

- **Competence & Suitability:** Only sub-contractors with proven skills, experience, qualifications, and resources suitable for the task will be engaged.
- **Compliance:** Strict adherence to all applicable laws, regulations, and Structura's policies (e.g., Health & Safety, Quality, Ethical Conduct, Data Protection).
- **Transparency:** Clear communication of expectations, scope of work, and contractual terms, including payment and retention.
- **Fairness:** Equitable treatment, timely communication, and prompt payment of undisputed invoices.
- **Performance:** A commitment to delivering high-quality work, on schedule, and within budget.
- **Accountability:** Clear assignment of responsibilities and a mechanism for performance monitoring and feedback, including **liability for damages incurred due to non-performance or negligence.**
- **Collaboration:** Fostering a working relationship that supports project success.

## 5. Roles and Responsibilities

### 5.1. Director(s)

- Overall accountability for the effectiveness and compliance of this Sub-contractor Policy.
- Approving high-value sub-contractor engagements and any significant policy deviations.
- Ensuring adequate resources for sub-contractor management.
- Authorising the pursuit of **damages or cost recovery** from sub-contractors in cases of significant non-compliance.

### 5.2. Executive/Consultant & Project Leads

- Identifying suitable sub-contractors for specific project requirements.
- Conducting due diligence and vetting sub-contractors (with support from Finance and H&S Lead).
- Defining and agreeing the detailed **Scope of Works** (referencing quotation-scope-system).
- Negotiating and managing sub-contractor contracts, ensuring all Structura policies are referenced.
- Managing day-to-day sub-contractor performance, quality, and safety on site.
- Approving sub-contractor invoices for work completed and quality.
- Liaising with sub-contractors regarding site-specific issues, progress, and quality.
- Ensuring required commissioning and certification are obtained for specialist works.
- Documenting instances of **missed deadlines, poor performance, equipment misuse, or defects** that may lead to claims for damages.

### 5.3. Finance Department

- Verifying sub-contractor CIS status (referencing cis-policy).
- Processing sub-contractor payments, including applying correct tax deductions and retention.
- Managing CIS returns to HMRC.
- Maintaining accurate financial records for all sub-contractor engagements.
- Handling payment queries and managing the debt recovery process if Structura is acting as a sub-contractor (referencing debt-recovery-policy).
- Calculating and pursuing **financial recovery for damages or costs** incurred due to sub-contractor non-compliance.

### 5.4. Health & Safety Representative / Lead

- Advising on sub-contractor H&S competence and management systems.
- Conducting H&S audits of sub-contractor practices on Structura sites.
- Ensuring sub-contractors comply with Structura's **All-Encompassing Health and Safety Policy** and **Safe System of Work Policy**.
- Reviewing sub-contractor risk assessments and method statements.

- Investigating incidents involving **equipment misuse** or safety breaches by sub-contractors that could lead to damages.

## 5.5. All Structura Employees

- Working collaboratively and professionally with sub-contractors.
- Monitoring sub-contractor adherence to safety and quality standards.
- Reporting any concerns regarding sub-contractor performance, safety breaches, **equipment misuse**, or ethical conduct immediately.

## 5.6. Sub-contractor Responsibilities

- Complying fully with **all terms of their contract** with Structura.
- Adhering strictly to **all applicable Structura policies** (see Section 6).
- Performing work to the agreed **Scope of Works**, quality standards, and timelines.
- **Meeting all agreed deadlines** and notifying Structura immediately of any potential delays.
- Providing competent, trained, and authorised personnel, holding all necessary certifications for their trade (e.g., Gas Safe, NICEIC, equivalent).
- Adhering to all health, safety, and environmental regulations and site rules.
- **Ensuring the safe and proper use of all equipment**, whether their own or provided by Structura, and preventing its misuse.
- Maintaining adequate insurance coverage.
- Providing accurate and timely invoices, with all necessary documentation (e.g., commissioning certificates, test results).
- Rectifying any defects promptly and at their own cost during the DLP.
- Cooperating fully with Structura's project management and quality control processes.
- **Being liable for any damages, losses, or costs incurred by Structura** due to their negligence, breach of contract, or non-compliance with policies.

# 6. Sub-contractor Engagement and Compliance

Structura requires all sub-contractors to adhere to a comprehensive framework of policies and procedures:

## 6.1. Vetting and Due Diligence

- All prospective sub-contractors will undergo a due diligence process, assessing their:
  - **Competence and Qualifications:** Verifying relevant trade qualifications, accreditations, and certifications (e.g., **Gas Safe registration** for gas works, **NICEIC/ECA registration** for electrical works).
  - **Health and Safety Performance:** Reviewing H&S records, accreditations (e.g., CHAS, SafeContractor), and H&S management systems (referencing

- all-encompassing-health-safety-policy).
- **Quality Standards:** Assessing their quality control procedures and past performance (referencing quality-control-defect-policy).
- **Financial Standing:** Conducting checks to ensure financial stability and capacity to cover potential liabilities.
- **Insurance:** Verifying adequate Public Liability, Employer's Liability, and Professional Indemnity (where relevant) insurance, with sufficient limits to cover potential **damages**.
- **Ethical Conduct:** Ensuring alignment with our anti-bribery-corruption-policy and anti-slavery-policy.
- **DBS Checks:** For roles involving contact with children or vulnerable adults (e.g., care home projects), sub-contractors must provide satisfactory **Enhanced DBS checks** for all relevant personnel (referencing safeguarding-policy).

## 6.2. Contractual Agreement

- A formal written contract will be in place for every sub-contractor engagement. This contract will clearly define:
  - The precise **Scope of Works** and deliverables.
  - Project timelines and milestones, with clear **deadlines** for completion of work stages.
  - Payment terms, including retention.
  - Quality standards and defect liability.
  - Health and safety requirements.
  - Insurance obligations.
  - Confidentiality and data protection clauses.
  - Termination clauses (referencing termination-of-contracts-policy).
  - Specific reference to the mandatory adherence to relevant Structura policies.
  - **Explicit clauses detailing sub-contractor liability for damages, losses, costs, or delays** incurred by Structura due to their breach of contract, negligence, poor workmanship, **missed deadlines**, or **equipment misuse**.

## 6.3. Policy Adherence (Mandatory)

All sub-contractors and their personnel **must strictly adhere** to the following Structura Project Services LTD policies:

- **contractor-responsibilities-guidance:** This document sets out the core, non-negotiable expectations.
- **cis-policy:** For all construction operations, ensuring correct tax treatment.
- **ir35-policy:** For individuals providing services through an intermediary, where applicable.
- **all-encompassing-health-safety-policy:** Including site rules, PPE, emergency procedures.
- **safe-system-of-work-policy:** For planning and executing high-risk tasks.

- **tool-plant-equipment-policy:** For safe use, maintenance, and storage of all equipment, with **explicit adherence to the "NO TOOLS OR EQUIPMENT LEFT UNATTENDED" rule in high-risk safeguarding environments** (referencing safeguarding-policy). **Sub-contractors are fully liable for any damages or incidents arising from their equipment misuse or failure to secure equipment.**
- **zero-tolerance-drugs-alcohol-policy:** No impairment by, possession, or use of drugs/alcohol on site or during work.
- **no-smoking-policy:** Strict prohibition of smoking/vaping on all sites and vehicles.
- **quality-control-defect-policy:** For workmanship standards, quality checks, and defect rectification. **Sub-contractors are liable for all costs associated with rectifying defects resulting from their poor workmanship or non-compliance.**
- **anti-bribery-corruption-policy:** Zero tolerance for bribery or unethical conduct.
- **anti-slavery-policy:** Prohibition of modern slavery and human trafficking.
- **info-sec-gdpr-policy:** For data protection and confidentiality.
- **environmental-policy:** For responsible waste management and environmental practices.
- **safeguarding-policy:** Crucial for work in care settings; **absolute prohibition of lone working in children's homes** and **no unattended tools** where vulnerable individuals are present.

## 7. Payment Terms and Retention

### 7.1. Standard Payment Terms

- Structura's standard payment terms for sub-contractors are **14 days from the receipt of a valid, approved invoice.**
- Invoices must be accurate, clearly itemised, include a valid purchase order reference (if applicable), and reflect work completed and approved to satisfactory quality.
- All payments will be processed through Structura's Finance Department, applying correct CIS deductions as per verified status (referencing cis-policy).
- **Structura reserves the right to withhold or offset payments** against any **damages, costs, or penalties** incurred due to the sub-contractor's non-compliance, breach of contract, **missed deadlines, or equipment misuse.**

### 7.2. Retention for Electrical, Plumbing/Gas Works

- For **all electrical and plumbing/gas works**, Structura will apply a **15% retention** from the gross value of payments.
- This retention will be held until **all services have been fully commissioned, independently tested, and formally certified** by the sub-contractor, and these certifications have been reviewed and accepted by Structura.
- Final release of the 15% retention will occur upon:

1. Successful completion of all commissioning activities.
  2. Submission and acceptance of all required certificates (e.g., Electrical Installation Certificate, Gas Safe Certificate, Building Control sign-off).
  3. Rectification of any defects identified during commissioning or certification.
  4. Expiry of the standard defect liability period (if applicable) for the commissioned services, or an agreed portion thereof.
- Structura reserves the right to use the retention to rectify any defects or complete outstanding certification if the sub-contractor fails to do so within reasonable timescales, **and to recover additional costs/damages beyond the retention amount.**

## 8. Performance Management and Quality Assurance

- **Quality Control:** Sub-contractors are responsible for their own internal quality control checks (referencing quality-control-defect-policy). Structura Project Leads will also conduct regular inspections to ensure work meets specifications.
- **Defects:** Any defects identified must be rectified promptly and at the sub-contractor's cost. Failure to do so will result in Structura rectifying the defects and **back-charging the sub-contractor for all associated costs and damages, including any delays to the project caused by such defects.**
- **Health & Safety:** Sub-contractors must comply with all H&S regulations and Structura's H&S policies. Any H&S breaches, including those involving **equipment misuse**, will be treated with extreme seriousness (referencing all-encompassing-health-safety-policy). Sub-contractors will be **liable for any fines, penalties, or damages** incurred by Structura due to their H&S non-compliance.
- **Reporting:** Sub-contractors must provide regular progress reports and promptly inform Structura of any issues or **delays impacting the project's agreed deadlines**. Failure to notify Structura of potential delays in a timely manner may result in **liability for consequential damages.**

## 9. Breaches of Policy and Termination

- Any breach of this policy, or any of the referenced Structura policies, will be treated with severity.
- Depending on the nature and severity of the breach, consequences may include: immediate cessation of work, removal of personnel from site, rectification of non-compliant work at the sub-contractor's cost, withholding of payments, contractual penalties, and ultimately, termination of the contract (referencing termination-of-contracts-policy).
- **Specifically, for breaches related to quality (defects), missed deadlines, or**

**equipment misuse, Structura reserves the right to pursue full recovery of all direct and indirect damages, losses, costs, or expenses incurred as a result of such breaches.** This includes, but is not limited to, costs for rework, delays to the overall project schedule, liquidated damages as specified in the contract, and administrative expenses.

- Structura reserves the right to pursue legal action and/or recovery of costs incurred due to non-compliance.

## 10. Record Keeping

Structura will maintain comprehensive records of:

- Sub-contractor vetting and due diligence.
- All contractual agreements.
- CIS verification and payment records.
- Invoices, payment dates, and retention details.
- Quality control checks, defect reports, and rectification records.
- H&S performance and incident reports, including those related to **equipment misuse**.
- Records of **missed deadlines** and any associated project delays.
- All communications, particularly regarding performance issues, policy breaches, and discussions of liability for damages.

These records will be stored securely in line with our Information Security and GDPR Policy.

## 11. Policy Review

This Sub-contractor Policy will be reviewed annually by the Director and relevant department heads (Finance, Project Management, H&S Lead), or more frequently if required by:

- Changes in legislation or industry best practices.
- Significant issues arising from sub-contractor performance or compliance, particularly concerning **damages, delays, or equipment-related incidents**.
- Feedback from internal audits or project reviews.
- Changes in Structura's business model or types of projects undertaken.