CONCEPT

Subcontractor Management: Back-to-Back Subcontracts, Payments and Claims Flow-Down

11 – 15 April 2027
Riyadh - KAFD district five-star



Subcontractor Management: Back-to-Back Subcontracts, Payments and Claims Flow-Down

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Introduction:

Subcontractor management decides a main contractor's margin: most site work is let in packages, yet subcontracts are often signed with gaps against the head contract, payment terms that cannot be enforced as written and no route for passing owner variations and claims down the chain. The result is squeezed cash, unrecovered back-charges and disputes at final account. This Core Concept course trains main contractor project, commercial and subcontract staff to package, let, pay, control and close out subcontracts. Participants produce a Subcontract Package Plan and a Claim Flow-Down Assessment for a case project.

Course Objectives:

- Divide a project scope into subcontract work packages and choose domestic, named or labour-only arrangements for each
- Draft back-to-back subcontract terms and a flow-down schedule that close gaps against the head contract
- Level subcontractor tenders, normalise qualifications and recommend an award with attendance and mark-up allowances
- Assess interim payment applications, apply retention and handle pay-when-paid wording within the subcontract terms
- Pass owner variations, delay events and claims down to subcontractors and raise contra-charges with supporting records
- Score subcontractor performance, manage default and termination and agree a subcontract final account

Target Audience:

- Project and package managers who direct subcontractor scopes and site interfaces for the main contractor
- Commercial managers and quantity surveyors who price, value and settle subcontract accounts
- Subcontract administrators who draft, issue and manage subcontract documents and correspondence
- Contracts and claims specialists who align subcontract terms with head contract entitlements
- Site and construction managers who supervise subcontractor mobilisation, progress, quality and safety

Course Outline:

Day 1: Subcontracting Strategy and Package Definition

- Domestic, Named, Nominated and Labour-Only Subcontract Categories
- Make-or-Buy Decision Matrix for Self-Delivered and Sublet Scope
- Work Package Breakdown Aligned to Bill of Quantities Sections
- Multi-Tier Supply Chain Map and Accountability Gaps
- Subcontract Procurement Schedule Linked to Programme Need Dates

Day 2: Back-to-Back Terms, Tendering and Selection

- Head Contract to Subcontract Clause Comparison Table
- Flow-Down Schedule: Programme, Specification, Liquidated Damages and Insurance
- Subcontractor Enquiry Pack: Scope, Attendance Schedule and Pricing Document
- Tender Bid Levelling Sheet with Qualification and Exclusion Normalisation
- Pre-Letting Meeting Minutes and Subcontract Award Recommendation

Day 3: Mobilisation, Interim Valuations and Cash Flow

- Subcontract Mobilisation Checklist: Method Statements, Insurances and Labour Returns
- Site Interface Register Between Trade Packages and Attendance Services
- Interim Payment Application Assessment and Payment Notice Timeline
- Retention Ledger, Release Triggers and Retention Bond Alternatives
- Pay-When-Paid and Pay-If-Paid Wording: Enforceability and Cash Risk

Day 4: Variations, Claims, Back-Charges and Default

- Owner Variation Instruction Cascade and Subcontract Variation Valuation
- Delay Event Flow-Down: Notices, Extension of Time and Concurrent Delay
- Contra-Charge and Back-Charge Notices with Cost Evidence Files
- Subcontractor Quality and HSE Non-Conformance Escalation Ladder
- Performance Scorecard, Default Notice, Termination and Replacement Procedure

Day 5: Case Project: Package Plan and Claim Flow-Down

- Case Project Pack: Head Contract Extracts, Subcontract Orders and Site Records
- Subcontract Package Plan Build for the Case Project
- Claim Flow-Down Assessment: Owner Entitlement Versus Subcontractor Claim
- Subcontract Final Account Negotiation and Settlement Agreement
- Package Plan and Assessment Presentation to a Commercial Review Panel

Skills You Will Gain:

- Subcontract Packaging
- Back-to-Back Drafting
- Tender Bid Levelling
- Subcontract Valuation
- Retention and Cash Flow Control
- Claim Flow-Down Analysis
- Contra-Charge Recovery
- Subcontract Final Account Settlement

Why Attend This Course:

- Leave with a Subcontract Package Plan and a Claim Flow-Down Assessment built on a full case project record
- Catch clause gaps between head contract and subcontract before orders are signed rather than at final account
- Recover delay costs and back-charges with notices and cost files that hold up in negotiation
- Compare subcontract practice with contractor peers from building, civil, industrial and fit-out work

Conclusion:

A main contractor keeps its margin when subcontract packages are defined carefully, let on back-to-back terms and paid, varied and settled on documented records. The one week move from subcontract categories and packaging through clause comparison, bid levelling and award, to mobilisation, interim valuations, retention and payment wording, then to variation and delay flow-down, contra-charges, performance scoring and termination. The case work ends with a Subcontract Package Plan and a Claim Flow-Down Assessment participants can reuse on their next project.