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| **Cost Plus Percentage Contract** | | | | |
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|  | Construction Company | | Date: |  |
|  | Address | | Owner: |  |
|  | City, State, ZIP | | Address: |  |
|  | Phone Number | | City, State, ZIP: |  |
|  |  | | Project name: |  |
|  | | | | |
| **This agreement is made this** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 19\_\_\_\_\_\_\_ | | | | |
| between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the owner, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the contractor. The owner and the contractor agree as set forth below: | | | | |
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| 1. The contractor accepts the relationship of trust and confidence established between his company and the | | | | |
| owner by this agreement. He covenants with the owner to furnish his best skill and judgment in furthering | | | | |
| the interest of the owner. He agrees to furnish efficient business administration and supervision and to use his | | | | |
| best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in a | | | | |
| most expeditious, economical and workmanlike manner. | | | | |
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| 2. The work to be performed under this contract shall commence \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. | | | | |
| The contractor shall use his best efforts to complete said work of improvement on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. | | | | |
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| 3. The owner agrees to reimburse the contractor for the direct "cost of the work" as defined in paragraph 6 | | | | |
| below. Such reimbursement shall be in addition to the contractor's fee stipulated in paragraph 4. | | | | |
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| 4. In consideration of the performance of the contract, the owner agrees to pay the contractor as compensa-tion for his services a contractor's fee as follows: | | | | |
| \_\_\_\_\_\_\_\_\_\_\_ % (percent) of all costs incurred over total project length paid as per paragraph 11. | | | | |
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| 5. The scope of the work shall consist of the "categories of work" described on the estimate attached hereto. | | | | |
| The estimate is attached solely for the purpose of describing the category of work. The pricing on the estimate | | | | |
| shall have no bearing on the cost of the work. | | | | |
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| 6. The term "cost of work" shall mean costs necessarily and reasonably incurred in the performance of the | | | | |
| work and actually paid by the contractor, including all costs incurred due to changes and extras not listed on the | | | | |
| attached estimate. | | | | |
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| 7. The contractor shall procure the necessary permits for the work of improvement. Owner shall pay the | | | | |
| governmental fees and contractor's charges for said permits. | | | | |
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| **Cost Plus Percentage Contract (Continued)** | | | | |
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| 8. All portions of the work that contractor's employees cannot perform directly shall be performed under | | | | |
| subcontracts. Unless owner has agreed in advance all subcontracts shall be on a fixed price basis. The | | | | |
| contractor shall secure the owner's consent before entering into any subcontracts. | | | | |
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| 9. The contractor shall keep full and detailed accounts as may be necessary for proper financial management | | | | |
| under this agreement. The owner shall be afforded access to all the contractor's records, books, correspon- | | | | |
| dence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and the | | | | |
| contractor shall preserve all such records for a period of three years after the final payment. | | | | |
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| 10. The owner agrees to pay a twenty-five percent deposit upon obtaining permits or start of job, whichever | | | | |
| occurs first. | | | | |
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| 11. The contractor shall, every two weeks during the course of work, deliver to the owner a statement showing | | | | |
| in complete detail all costs incurred by his company in the execution of this contract for the preceding two | | | | |
| week period. Accompanying said statement shall be a copy of all back-up documentation including material | | | | |
| procurement invoices, payrolls for all the labor and all receipted bills for which payment is due. The owner | | | | |
| shall review the statement and shall remit such amount within three days of the owner's receipt of the statement. | | | | |
| The final payment, constituting the unpaid balance of the cost of the work and the final contractor's fee, shall | | | | |
| be paid by the owner to the contractor when the work has been completed and the contract fully performed. | | | | |
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| 12. The contractor agrees to maintain workers' compensation and liability insurance throughout the course of | | | | |
| the work. | | | | |
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| 13. The contractor hereby agrees to hold the owner harmless and to indemnify the owner against any and all | | | | |
| claims which may arise during the course of the work as a consequence of the negligent acts or deliberate | | | | |
| omissions of the contractor, its agents or employees. | | | | |
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| **This agreement** is executed the day and year first written above. | | | | |
|  | | | | |
| Owner | |  | Contractor | |
|  | |  | License number | |
| Date | |  | Date | |