

# Time & Materials Contract -

## Client Information

**Date**  
11/01/2019  
**Name**  
John Smith  
**Address**  
2368 Lorcum Lane  
Arlington, VA 22207

**Telephone**  
703-867-5309  
**Project Number**  
4546878  
**Project Name**  
Gazebo

**Project Address**  
2368 Lorcum Lane  
Arlington, VA 22207

## Contract

### I. PARTIES

This contract dated the (day)  
Friday  
day of (Month), (Year)  
November, 2019  
, is between (Client Name)  
John Smith  
, Client and (Contractor Name)  
American Contractor  
, Contractor. . In consideration of the mutual promises contained herein, Contractor agrees to perform the following work (Description and Location):

Build Gazebo at 2368 Lorcum Lane in Arlington, VA

### II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

**1. (Description)**

Build 12x12 Gazebo in back yard, using outdoor grade materials.

**2. (Description)**

Complete patio area around the Gazebo with stone pavers

The work to be performed under this contract shall commence on (date)  
11/29/2019  
Contractor shall use his best efforts to complete said improvements on or before (date)  
12/20/2019

### VI. COSTS TO BE REIMBURSED

Contractor shall, every two weeks during the course of work, deliver to Client a statement showing a summary of the costs incurred by his company in the execution of this contract for the preceding two-week period. Client shall review the statement and remit such amount within three business days of receipt. Client agrees to reimburse Contractor for all the costs outlined below. Such reimbursement shall be in addition to Contractor's fee as stated in paragraph VII, following.

1. Labor Costs: The hourly rate for workers employed by Contractor (in-house labor) to

During the course of the project, Client may request Contractor to perform additional work. All change orders must be in writing and signed by Contractor and Client (or Client's Agent).

### IX. SITE CONDITIONS

Client acknowledges that this contract is based on Contractor's observation of conditions of the workplace and structure. Hidden conditions, which could not have been ascertained in advance, and which are not in keeping with what would have reasonably been expected, will be an additional charge to the extent that those hidden conditions cause extra expense. Hidden conditions would include such things as buried rock, water damage, mold, termite damage, pre-existing code violations and other concealed conditions. If a hidden condition is discovered, Contractor will notify Client and

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### 3. (Description)

Build seating area in patio

The work does not include (Description):

Landscaping

### III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

#### 1. (Document)

Contract

Dated (date)

11/01/2019

#### 2. (Document)

Revised Contract

Dated (date)

11/04/2019

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

### IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client.

He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

### V. SCHEDULE AND TIMING

perform the construction work is established by the Rate Schedule below. Factored into the rate per hour are gross wages plus all applicable payroll taxes, medical insurance, retirement benefits, bonuses, etc.

#### Worker

Don Knotts

Classification

Carpenter

Rate

\$20.00

Worker

Andrew Taylor

Classification

helper

Rate

\$15.00

Worker

Floyd Colby

Classification

apprentice

Rate

\$12.00

**2. Material and Equipment Costs: Client will pay the costs of all materials and equipment used in construction plus a markup of (%)**

15,000

plus costs associated with materials delivery, pick up, ordering and handling. Any unused, excess materials shall be returned to the supplier for a credit. This credit will be issued to Client with the next billing by Contractor.

3. Subcontractor Costs: Client will pay Contractor for the costs of all Subcontractors used on the

attempt to reach an agreement for a change order to this contract that addresses the condition.

### X. DEPOSIT REQUIRED

Client agrees to pay a (\$0.00)

\$5,000.00

deposit upon obtaining permits or start of a job, whichever occurs first. The deposit will be applied to the first (number)

invoices in equal increments.

### XI. PERMITS

Contractor shall procure the necessary permits for the work of improvement. Client shall pay the governmental fees and Contractor's charges for said permits.

### XII. SUBCONTRACTS AND OTHER AGREEMENTS

All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Client has agreed in advance, all subcontracts shall be on a fixed-price basis. Contractor shall secure Client's consent before entering into any subcontracts.

### XIII. ACCOUNTING RECORDS

Contractor shall keep full and detailed accounts as necessary for proper financial management under this agreement. Client shall be afforded access to all Contractor's records, books, correspondence, instructions,

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project

**4. Other Project-Related Costs:** Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation, plus a markup of (%)

\$500.00

## VII. CONTRACTOR'S FEE

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services:

to build gazebo, patio, sitting area  
"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

## VIII. CHANGE ORDERS

drawings, receipts, vouchers, memoranda and similar data relating to this contract, and Contractor shall preserve all such records for a period of three years after the final payment.

## XIV. INSURANCE

The Contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

Contractor hereby agrees to hold Client harmless and to indemnify Client 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 Contractor, its agents, or employees.

**Client Initials**

JS

**Contractor Initials**

DK

**Client Name**

John Smith

**Contractor Name**

Don Knotts

## XV. SIGNATURES - Client

**Date**

11/04/2019

**I have read and agree to the terms and conditions of this contract. Client Signature**

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## XV. SIGNATURES - Contractor

**Date**

11/04/2019

I have read and agree to the terms and conditions of this contract. Contractor

**Signature**



## App Description

### Form Description

Often called a T&M contract, the Time & Materials contract looks a lot like a cost-plus contract.

However, T&M contracts include markup in the hourly labor rate as well as in the Overhead and Profit section, which is unique to this contract.

### When to Use It

Most contractors hire and train their own crews. The work they perform is of their company standard, and managed and paid for by the company. You can't charge the client the employee's base pay, you have to charge his hourly rate, including labor burden and all other associated indirect labor costs, plus overhead.

### Form Purpose

This agreement includes markup in the hourly labor rate as well as in the contractor's fee or Overhead and Profit sections.