

# TRADE PARTNER AGREEMENT Policies-Procedures-Safety



As a Trade Partner for Castle Building & Remodeling, Inc., we believe you represent one of the most professional remodeling companies in the area. In an effort to clarify our relationship, we have set forth the following policies and rules of professional etiquette. This understanding will help us maintain the positive image with our clients that we have worked so hard to cultivate, along with maintaining a safe working environment.

Specific procedures relating to Castle Building & Remodeling, Inc. can be found after the General Policies, Safety Policies and Daily Work Procedures.

All of your personnel assigned to our projects are expected to be supportive of Castle Building & Remodeling, Inc. in all of the things done and said. Your company and your employees are part of our marketing team and both our businesses stand to gain/loss by the behavior of each of our employees. We will do the same for you.

## **Castle Building & Remodeling, Inc.** ***General Policies***

### **1. License and Insurance: Minimum Limits of Liability**

The Subcontractor must maintain the required insurance with a carrier rated A- or better by A. M. Best. The Subcontractor shall maintain at least the limits of liability as set forth below:

#### **Commercial General Liability Insurance**

\$1,000,000 Each Occurrence Limit (Bodily Injury and Property Damage)

\$2,000,000 General Aggregate per project

\$2,000,000 Products & Completed Operations Aggregate

\$1,000,000 Personal and Advertising Injury Limit

#### **Business or Commercial Automobile Liability Insurance**

\$1,000,000 combined single limit per accident, including hired and non-owned autos

#### **Workers' Compensation and Employers' Liability Insurance**

\$100,000 Each Accident; \$100,000 Each Employee for Injury by Disease; \$500,000 Aggregate for Injury by Disease

#### **Excess or Umbrella Liability (to overlay Employer's Liability, Automobile Liability and Commercial General Liability coverages at the limit chosen)**

\$1,000,000 Occurrence/Aggregate

## **Additional Insurance Statute and Certificate of Insurance**

The Contractor and Owner, along with their respective officers, agents and employees, shall be named as additional insured for ongoing Operations and Products/Completed Operations on the Subcontractor's and any Sub-Subcontractor's Commercial General Liability Policy, Commercial Automobile Liability Policy and Excess or Umbrella Policy, all of which must be primary and noncontributory with respect to these additional insureds.

Subcontractor shall maintain coverage for itself and all additional insureds on the aforementioned Commercial General Liability Policy, Commercial Automobile Liability Policy and Excess or Umbrella Policy for the duration of the project and maintain completed operations coverage for itself and each additional insured for a minimum of one year after the completion of the work.

It is expressly understood by the parties to this contract that is the intent of the parties that insurance obtained by the Contractor is deemed excess, non-contributory and not co-primary in relation to the coverage(s) procured by the Subcontractor, the Sub-Subcontractor or any of their respective consultants, officers, agents, subcontractors, employees or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of the aforementioned may be liable by operation of statute, government regulation or applicable case law.

The Contractor's Commercial General Liability policy shall not contain an exclusion or restriction of coverage for the following:

1. Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
2. Claims for property damage to the Contractor's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
3. Claims for bodily injury other than to the employees of the insured.
4. Claims for Indemnification arising out of injury to employees of the insured.
5. Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
6. Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
7. Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
8. Claims related to roofing if the Work involves roofing.
9. Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
10. Claims related to earth subsidence or movement, where the Work involves such hazards.
11. Claims related to explosions, collapsed and underground hazard, where the work involves such hazards.

A Waiver of Subrogation Clause shall be added to the General Liability, Automobile, Excess or Umbrella and Workers Compensation policies in favor of Contractor and Owner, and this clause shall apply to the Contractor's and Owner's officers, agents, and employees, with respect to all projects during the policy term.

Prior to commencement of work, Subcontractor shall submit a Certificate of Insurance in favor of Contractor and Additional Insured Endorsement (in a form acceptable to the Contractor) as required hereunder. The Subcontractor's Insurance policies shall provide for thirty (30) days' notice to Contractor for cancellation or any change in coverage and be evidenced by the Certificate of Insurance. Copies of insurance policies shall promptly be made available to the Contractor upon request.

## Castle Building & Remodeling Specific Policies

1. **Castle Building & Remodeling is your client:**
  - a. All discussions regarding job specifications, costs, or departures from the original job scope must be made with Castle Building & Remodeling and not Castle's clients.
  - b. *Any additional work or service performed by you, the Trade Partner, without prior approval of Castle Building & Remodeling (preferably written, but verbal where time is an issue), will not be added to the invoice of Castle Building & Remodeling.*
2. **You are the Professional:** We are looking to you as the professional in your field of work. We hope you will help us "debug" our jobs whenever you see a better way of doing things. If you anticipate a problem or a concern not addressed in our sketches, plans, or estimates or find what appears to be a code violation or a technical problem, let us know so we can remedy the situation with our client. We ask that you look for work that may need to be done to meet all local, county, and state building codes. If you think there is a possibility that something may be required by an inspector, please note/communicate that item of work and other items of work that you might discover during the site visit.
  - a. With the scope of work in mind, are there any ceilings, walls or floor areas that you need to access in order to accomplish your job? If so, please inform us, so we can add this additional work, required by others, to the scope of work. Please highlight the area(s) and size(s) of the opening you need on the Master Plan during the site visit.
  - b. Please add any additional item(s) of work you have discovered, as a separate line item, with a separate price.
3. **Schedule of Work:** Castle guarantees to the homeowner, a substantial completion date. Castle will pay our clients \$40/day after the agreed substantial completion date until the project is done. You must review this schedule with the Project Manager, and notify them if you do not have enough time scheduled to complete your work.
4. **When Bids are Due:** We will expect your bid one (1) week from the date of the site visit or one (1) week from the date you received the Plan and scope of work. If we do not receive your bid by the due date, we may have another Trade Partner bid, and select them for the project. Please submit all bids to the Amy Hinck, Amy@castlebri.com. If we do not receive your bid by the due date, we may have another Trade Partner bid and select them for the project.
5. **After the Sale:** Once the sale has been made, the Project Designer will review your bid and cross off any items or options not chosen, and write in the new expected price and sign your bid, and email it back to you authorizing you to perform the work. The "Authorized Bid" will now become your purchase order. Your invoice for payment should match this purchase order information amount. Castle will not pay for any time and/or materials over the cost of your bid without prior written approval from the Project Manager or Project Designer. We also expect that you provide us with credits for materials and/or labor you may bid, but where that work was not performed.
6. **Change Orders:** Castle guarantees to the homeowner there will be no *unforeseen* Change Orders (except homeowner requested). That means the trade partner will incur the cost of additional work required to complete the construction contract between Castle and the homeowner *if it could have been seen during the site visit*. If something needs to be brought to code, abated, replaced, repaired, etc. you are responsible to find out what it is and include it in your original bid. If you are not sure if something needs to be brought to code, abated, replaced, repaired, etc., please include that in your original bid as an option. *If there are any hidden conditions or unexpected things that get uncovered, those can be bid out and charged for on a change order after approval.* By guaranteeing no unforeseen change orders, Castle will have a sales and marketing advantage over its competitors. *Without prior approval from Castle Building & Remodeling, additional materials purchased or additional labor performed will not be compensated for unless communicated ahead of time and described in a Change Order.*  
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7. **Job Schedule and Communication:** Change is a way of life in the remodeling business. Clients change their minds, inclement weather affects us, unanticipated repairs bog us down and scheduling conflicts are just a few of the challenges we face every day. In spite of these hurdles, we try to schedule our work as tightly as possible to expedite our projects. To integrate our schedules, communication is very important. Remember, we are a team! Therefore, we have the following guidelines:
  - a. If our schedule changes affect your timeframe, we will alert you via a telephone call or email, at the soonest opportunity to let you know.
  - b. If your schedule changes and you cannot perform your work at the scheduled time, it is essential you call and/or email the Project Manager as soon as possible to let us know.
  - c. If you arrive at the job site at your scheduled time slot and are unable to perform your work due to incomplete preparatory work or other reasons, please call the Project Manager immediately. We can often resolve the issue in a timely manner and work to avoid such issues on future projects. Do not leave the job without speaking directly to the Project Manager! Voice mail does not count.
8. **Communication:** More than likely your first communication with Castle on a particular project will be either in a pre-proposal walk through (site visit) with the Project Designer, requesting a proposal from you or communication with the Project Manager as it relates to original scheduling and/or finalizing your Trade Partner proposal/bid, and issuing of an acceptance of proposal. Your normal day-to-day communication on a particular project should be with the Project Manager for that project. If for any reason you should need to contact the office or the Project Manager, Project Designer, please feel free to do so. However, it is important to remember that Project Manager is the day-to-day contact on the project once the job has started. Often, you will be the only person on the job during your schedule time. At those times, we ask that you call and/or email the Project Manager at the end of the day to let them know your progress.
9. **Materials:** Acceptance and unloading of deliveries of your materials, their storage and protection, insurance and all other risk of loss of your materials or equipment is your responsibility. Any items you remove from the job to be held for safekeeping are your responsibility to store and protect (i.e., thermostats, light fixtures, plumbing fixtures, etc.). Whenever possible, it is preferred that green building products are specified and used.
10. **Inspections:** All Trade Partners will arrange and be present for any inspections required for their work. Please call in your inspections ahead of time in anticipation of your finish time so there will be minimal down time. Please inform Castle when your inspections will take place and the outcome. It will be Castle Building & Remodeling's policy to not approve/pay rough-in or final invoices unless these inspections have been completed and passed.
11. **Payment:** Castle does not automatically pay "upon signing" draws. If applicable, please tie your draws to rough-in and final, including any required inspections (i.e., "upon plumbing rough-in" and "inspection approval"). A final inspection by officials, if required, must be performed or homeowner approval given before the final draw is approved. An invoice must be submitted with the homeowners' **name and address referenced**, and will be processed in Castle's normal accounts payable schedule.
  - a. Emailed invoices are preferred to [Invoices@Castlebri.com](mailto:Invoices@Castlebri.com) ; however any invoice or payment request can be delivered in person or US Mailed to: 2710 East 33<sup>rd</sup> Street – Minneapolis, MN 55406.
  - b. Castle normally pays invoices within thirty (30) business days after receipt of the invoice, or terms stated on the invoice. In order to process an invoice for approval and payment, all Trade Partner paper work (Agreement, Info Sheet and W9) and proof of General Liability and Workers Compensation coverage must be on file in our office.
  - c. All invoices or payment requests should be received within thirty (30) days after your work has been completed. Castle does incur additional expenses to process invoices that are received after a project has been closed on our books. *Final approval/payment of untimely invoices will be subject to a flat fee of \$150 to be deducted at the time of payment. This will be at the sole discretion of the Project Manager and Chief Financial Officer.*
  - d. In order to ensure prompt payments, be sure your W-9 and insurance information is up to date. If we request a COI due to a lapsed policy, no payments will be made until a current COI is received.

12. **Warranty:** All materials and labor are to be fully guaranteed by you for one (1) year after substantial completion and all workmanship of plumbing, electrical and HVAC are to be fully guaranteed by you (for mechanical Trade Partners) for two (2) years after substantial completion. Any manufacturer's warranties that exceed this one (1) year period will be given to the homeowner for their use. Any other defects in materials or labor will be settled on a job by job basis. *In accordance with Minnesota Statute, Chapter 327A – this statute can be found on the State of Minnesota websites, and [www.revisor.mn.gov/statutes](http://www.revisor.mn.gov/statutes). Warranties given by the manufacturer, which are past the state requirement, are applicable and will be given to the client for their use.*
13. **Relationship of Parties:** The parties to this Agreement do hereby expressly represent, warrant and understand that the relationship between the parties is that of an independent contractor. The independent contractor (Trade Partner) is not an employee or agent of Castle Building & Remodeling. The Trade Partner has no power or authority to act for, represent, or bind Castle in any manner whatsoever.
14. **Non-Compete:** For a period of one (1) year after Castle's final day on the job, you may not negotiate with our client in which you have worked on our jobsite, to do any additional work without first securing permission from Castle Building & Remodeling, Inc.
15. **Indemnification:** the work performed by the subcontractor (Trade Partner) shall be at the risk of the Trade Partner exclusively. To the fullest extent permitted by law, Trade Partner shall indemnify, defend (at Trade Partner's sole expense) and hold harmless Castle Building & Remodeling, Inc., affiliated companies of Castle, their partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors, and assigns (indemnified parties), from and against any and all claims for bodily injury, death or damage to property, demands, damages, action, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorney's fees and costs, and consultant's fees and costs) which arise or are in any way connected with work performed, materials furnished, or services provided under this Agreement by the Trade Partner or its agents. These indemnify and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of the Trade Partner, its employees or agents, whether active or passive. Said indemnity and defense obligations shall further apply, whether or not said claims arise out of the concurrent act, omission, or negligence of the indemnified parties, whether active or passive. The Trade Partner shall not be obligated to indemnify and defend Castle Building & Remodeling, Inc. for claims found to be due to the sole negligence or willful misconduct of indemnified parties.

This Agreement is effective as of the date signed below:

**Signature Page**

I have read and will abide by all the conditions outlined in this Agreement and I have submitted the necessary proof of insurance – both General Liability and Workers Compensation coverages. I further understand that my relationship as a Trade Partner and payments tied to acceptance of and compliance with these conditions.

Please have all your employees and future hires that will work on Castle Building & Remodeling projects, read and understand this Agreement. We may ask your workers on our projects if they have read the Agreement to ensure compliance. Please copy and/or distribute to your employees who will be working on any of our projects.

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Name of Your Company

\_\_\_\_\_  
Trade Partner Company Representative

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Tambra Lee, CFO  
Castle Building & Remodeling, Inc.

\_\_\_\_\_  
Date Signed

PLEASE SIGN AND RETURN THIS PAGE ONLY, ALONG WITH YOUR INFO SHEET AND W9, TO:  
  
[Tambra@Castlebri.com](mailto:Tambra@Castlebri.com) OR [Invoices@Castlebri.com](mailto:Invoices@Castlebri.com)  
  
OR via US Mail to: 2710 East 33<sup>rd</sup> Street – Minneapolis, MN 55406