
Overview

Most small businesses use other businesses to carry out services such as preparing accounts, designing an image for your business, installing and maintaining technology and other equipment, taking away waste or supplying components, materials, tools or equipment. It is important to make sure that you get the kind of services or supplies you need from a sub-contractor.

You might do this if you need to:

1. get specialist skills from outside your business or social enterprise for a job that needs to be done
2. employ someone to complete a job for a limited time because of increased work
3. find someone who can do the job more quickly or cheaply than you can do it

Sub-contracting work involves:

1. agreeing contracts for the services and supplies you need for your business
2. dealing with failures to meet contracts
3. negotiating with suppliers to improve future contracts

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Sub-contract work for your business

Performance criteria

You must be able to:

- P1 make sure that current and future services or supplies will meet your requirements
- P2 make sure that both you and the sub-contractor understand what will be delivered by them and on what terms
- P3 make sure there are appropriate ways to communicate between your business and the sub-contractor
- P4 confirm with the sub-contractor how you will check that their performance meets requirements
- P5 identify, record and identify the reasons for any failures to meet requirements
- P6 arrange for payment to be made in line with contract performance and record the reasons for any payment that differs from the terms of the original contract
- P7 resolve any failures, record how they have been resolved and inform contractors
- P8 seek legal advice where necessary
- P9 make sure that requests to vary the terms of the contract are reasonable, justified by the facts and recorded
- P10 agree any alterations with the contractor and inform them of the implications
- P11 keep relevant people informed about requirements, the details of the contract between your business and the contractor, any failures to meet requirements and any changes to arrangements with contractors

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Sub-contract work for your business

Knowledge and understanding

You need to know and understand:

Sub-contracting work

- K1 what the agreed terms and conditions for each contract are
- K2 what the standards of performance in service or supply for each contract are
- K3 how to assess whether contract performance meets the requirements of your business
- K4 how to identify causes of failure to meet required performance and make sure they are not repeated
- K5 how to resolve failure to meet requirements (for example obtaining redress, varying the contract, initiating discussions between customers and sub-contractors and getting alternative sub-contractors)
- K6 how to get advice about seeking redress for unsatisfactory performance, including taking legal action
- K7 what systems there are for recording variations in performance and agreed corrective actions

Laws and regulations

- K8 what the legal requirements are for contracted services, including:
 - K8.1 Contract law;
 - K8.2 The Health and Safety at Work Act
 - K8.3 The Environmental Protection Act

Communication

- K9 how to communicate with sub-contractors and other relevant people

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Sub-contract work for your business

Additional Information

Links to other NOS

1. OP1 Review the skills your business needs
2. BS1 Identify needs and suppliers for your business
3. BS2 Monitor the quality and use of supplies and equipment in your business

Links to other standards

4. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
5. D4 Plan the workforce

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Sub-contract work for your business

Developed by	CFA Business Skills @ Work
Version number	1
Date approved	March 2007
Indicative review date	March 2009
Validity	Current
Status	Original
Originating organisation	Sfedi
Original URN	OP4
Relevant occupations	Business, Administration and Law; Managers and Senior Officials; Farmer; Director; Farm Manager; Unit Manager
Suite	Business Enterprise; Agricultural Management
Key words	success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, health and safety, VAT, equipment, costs, profit, staff, product