

Overview

This standard is for entrepreneurs who need to sub-contract work for their business. Most small businesses use other resources to carry out services such as preparing accounts, designing branding 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 required services or supplies from a sub-contractor. Sub-contracting work involves agreeing contracts for the services and supplies you need for your business, dealing with failures to meet contracts, and negotiating with suppliers to improve future contracts.

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.

Performance criteria

You must be able to:

1. identify the skills or services that you need to sub-contract for your business
2. ensure that current and future services or supplies meet your business needs
3. ensure both you and the sub-contractors understand the contract terms and conditions
4. agree the ways to communicate with sub-contractors
5. finalise the contract between your business and the contractor
6. confirm with the sub-contractors how you will check that their performance meets requirements
7. identify and record any failures to meet requirements
8. resolve any failures, record how they have been resolved and inform the contractors
9. seek legal advice where required
10. ensure that requests to vary the terms of the contract are reasonable, justified by the facts and recorded
11. arrange the payment to be made in line with contract performance
12. explain and record the reasons for any payment that differs from the terms of the original contract
13. agree any alterations with the contractors and inform them of the implications
14. record any failures to meet requirements and any changes to arrangements with contractors

Knowledge and understanding

You need to know and understand:

Sub-contracting work

1. the terms and conditions for the contract
2. the standards of performance in service or supply for each contract
3. how to assess whether contract performance meets the requirements of your business
4. how to communicate with sub-contractors and other relevant staff
5. how to identify causes of failure to meet required performance
6. how to make sure failures are not repeated
7. the ways to resolve failure to meet requirements by obtaining redress, varying the contract, initiating discussions between customers and sub-contractors and getting alternative sub-contractors
8. the systems for recording variations in performance and agreed corrective actions

Laws and regulations

9. how to get advice about seeking redress for unsatisfactory performance, including taking legal action
10. the relevant legal requirements for contracted services

Developed by	Skills CFA
Version Number	1
Date Approved	14 Jan 2022
Indicative Review Date	01 Mar 2027
Validity	Current
Status	Original
Originating Organisation	Instructus
Original URN	CFAOP4
Relevant Occupations	Business, Administration and Law, Managers and Senior Officials
Suite	Business Enterprise
Keywords	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
