Know what a subcontract can cost you before you sign it.

Redline reads the subcontract the GC sent you against the bid you priced, your company's standards and the law where you're building. In minutes you see what it could cost, in dollars, with the fix written into the contract.

THE PROBLEM

The GC's side wrote the subcontract, and it quietly rewrites the scope, schedule and payment you priced. It usually gets a quick read at night. These five sentences come from one subcontract (the fictional $1,860,000 flooring job our walkthrough follows):

1.1 *"The Subcontract Documents consist of this Agreement, the Prime Contract between Contractor and Owner, the General Conditions, the Project Manual, the Drawings and Specifications, and the Project Schedule, all of which are incorporated by reference as if fully set forth herein. Subcontractor is bound to Contractor to the same extent Contractor is bound to Owner."* **Means:** You're bound to the prime contract, and to everything the GC owes the owner, whether or not anyone handed it to you.

3.2 *"Payment to Subcontractor is contingent upon Contractor's receipt of payment from Owner. Subcontractor assumes the risk of owner nonpayment."* **Means:** If the owner doesn't pay the GC, you don't get paid. However good your work was.

3.4 *"Contractor shall retain ten percent (10%) of each progress payment until final completion of the entire Project."* **Means:** Ten percent of every payment is held until the whole building is finished, not your scope.

4.2 *"Subcontractor shall pay Contractor liquidated damages of $2,000 per day for each day of delay attributable to Subcontractor."* **Means:** No cap. Enough days of delay and the profit on this job is gone, then you're paying to work.

4.5 *"Subcontractor shall give Contractor written notice of any claim for additional time or compensation within seven (7) days after the event giving rise to the claim. Failure to give such notice shall constitute a waiver of the claim."* **Means:** Seven days to put a claim in writing. Miss it and a valid claim is waived.

WHAT IT COSTS, ON THAT JOB

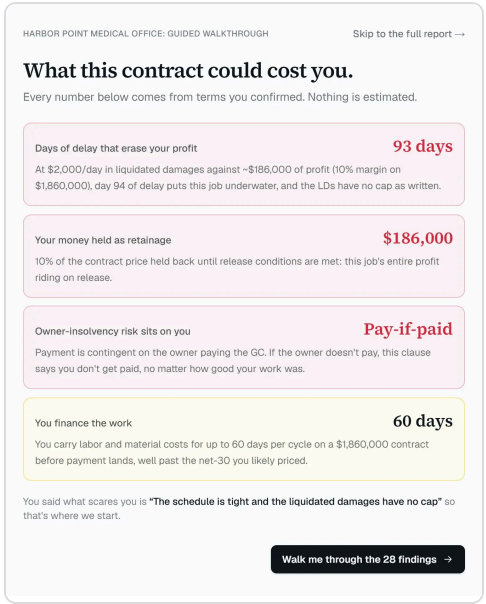
93 days
Days of delay that erase your profit
At $2,000/day in liquidated damages against ~$186,000 of profit (10% margin on $1,860,000), day 94 of delay puts this job underwater, and the LDs have no cap as written.

$186,000
Your money held as retainage
10% of the contract price held back until release conditions are met: this job's entire profit riding on release.

Pay-if-paid
Owner-insolvency risk sits on you
Payment is contingent on the owner paying the GC. If the owner doesn't pay, this clause says you don't get paid, no matter how good your work was.

60 days
You finance the work
You carry labor and material costs for up to 60 days per cycle on a $1,860,000 contract before payment lands, well past the net-30 you likely priced.

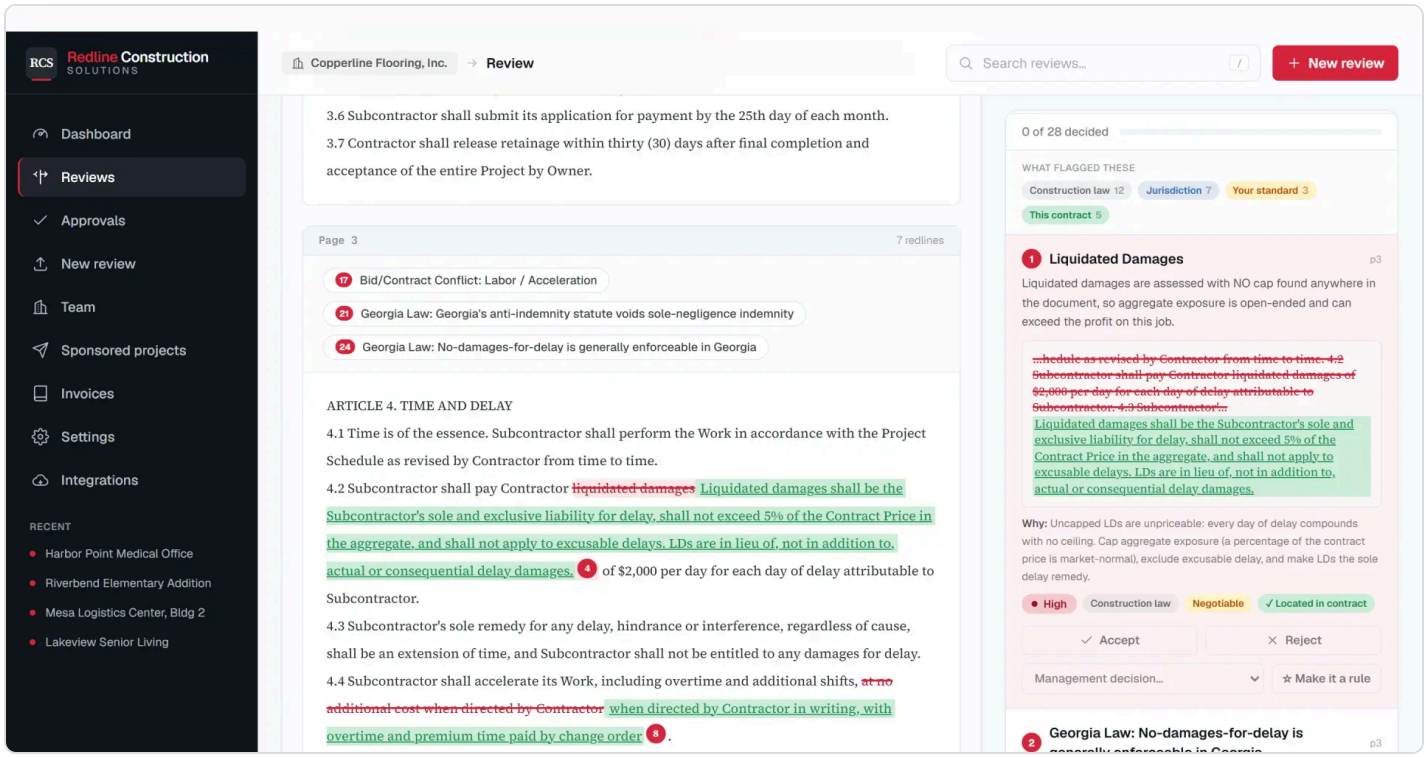
Redline on this contract: **$399**. The profit riding on it: about **$186,000**. It doesn't have to save every contract; it has to catch one clause like these before you sign.



Fictional parties, real Redline output. Redline is not a law firm and doesn't give legal advice; it finds, prices and drafts, and your team and your counsel decide.

WHAT YOU GET BACK, EVERY CONTRACT

Upload the GC's subcontract and your proposal (and the prime, if you have it). The 101-page showcase contract took three minutes 14 seconds.



1. **Every clause that can cost you:** ranked, with the page, the reason and replacement language (28 on the sample job, 20 high risk)
2. **What it could cost, in dollars:** delay that erases your profit, money held back, who carries the owner's credit risk
3. **The contract, marked up to send back:** Word tracked changes, a marked-up PDF and a clean list of asks for the GC
4. **Every deadline, on one card:** the clocks the contract starts on day one (7 on the sample job), printed for the field
5. **A clear verdict before signing:** one honest answer to whether it's ready, and a sign-off on the record
6. **Checked against what you know:** your bid, your standards and insurance, and the law in the project's state

WHY NOT SIGN IT, CALL THE LAWYER OR ASK CHATGPT?

Signing as is costs nothing until a clause costs you. An attorney on every contract is billed by the hour and takes days, so most contracts never get one. ChatGPT reads what you paste, but it doesn't know your bid, your standards or the state's rules, and it doesn't mark up your document. Redline is the first read, not the last word: it puts the issues that matter in front of your attorney, so their hour goes to judgment instead of reading.

HOW TO START

1. Run a contract free today at redlineconstructionsolutions.com/free. No account, no card.

2. Use the two-week trial: up to three contracts in 14 days for your whole company, every file included.

3. Then pay per contract or a plan: $399 a contract, $999 for three, or Core at $999/mo ($799/mo billed annually) for 100 contracts a year and 5 people.

Sign knowing what you're signing, not hoping you didn't miss anything.

See every step with real screens: redlineconstructionsolutions.com/walkthrough. Run one of your own contracts: redlineconstructionsolutions.com/free. Questions, or want us to walk your team through it on one of your contracts? Reach the Redline team at redlineconstructionsolutions.com.