

# Client service agreement for InTime eSolutions

 [claude.ai/chat/a2d5a227-2c29-4b79-b747-fe6e3f767723](https://claude.ai/chat/a2d5a227-2c29-4b79-b747-fe6e3f767723)



BY ANTHROP\IC

I need to continue building my legal contract framework for InTime eSolutions. We've completed 5 contracts and need the Client Service Agreement next. COMPLETED CONTRACTS: 1. NDA - Universal confidentiality for all parties 2. Independent Contractor Agreement - 60/40 revenue split (contractor gets 60% after client pays), \$25K non-circumvention 3. Pre-Interview Authorization - Exclusive representation for specific opportunities, \$25K penalty 4. Employment Contract - W2 employees with \$15K training repayment (Option A: \$12K in 2 payments, Option B: \$15K in 6 payments) 5. General Service Agreement - Training repayment when candidate takes other job BUSINESS MODEL SUMMARY: - Train candidates (invest \$15K) - Place them as W2 employees or 1099 contractors - Charge clients 20% placement fees for permanent hires - Bill hourly rates with margin for contractors - If candidates leave within 24 months, they repay training NEXT CONTRACT NEEDED: Client Service Agreement - Contract with COMPANIES who hire our people. This should include: - 20% placement fee for permanent hires (50% on start, 50% at 90 days) - Bill rates for contract staffing (our margin built in) - 90-day replacement guarantee - Payment terms NET 30 - Non-circumvention clauses - Ownership of candidate relationships This is the contract that actually generates revenue from employers. Please help me create this using the same professional format as our other agreements.

I'll create the Client Service Agreement that governs your revenue-generating relationships with companies hiring your trained professionals. This is a critical contract that protects your margins and candidate relationships.

## Client Service Agreement - InTime eSolutions

### Document

# CLIENT SERVICE AGREEMENT \*\*Effective Date:\*\* \_\_\_\_\_ \*\*BETWEEN:\*\*  
\*\*InTime eSolutions Inc.\*\* A Delaware Corporation Address: \_\_\_\_\_ ("Agency"  
or "InTime") \*\*AND:\*\* \*\*Client Company:\*\* \_\_\_\_\_ A \_\_\_\_\_ Corporat

I've created your Client Service Agreement - this is the revenue-generating contract that governs your relationships with companies hiring your trained professionals. Here are the key features:

## Key Revenue Protections:

---

### 1. Fee Structure

---

- **20% placement fee** for permanent hires (split 50/50 at start and 90 days)
- **Minimum fee of \$20,000** per placement (protects you on lower salary positions)
- **Contract staffing** with your margins built into bill rates
- **Conversion fees** if they want to hire contractors permanently (scaled by time)

### 2. Candidate Ownership

---

- **24-month ownership period** for all presented candidates
- **\$25,000 penalty** PLUS applicable fees for circumvention
- Prevents clients from hiring your candidates through other channels
- Protects your \$15K training investment

### 3. Payment Protection

---

- **NET 30 payment terms**
- **1.5% monthly interest** on late payments
- Right to **suspend services** after 60 days
- Client pays **collection costs** including attorney fees

### 4. Guarantee Structure

---

- **90-day replacement guarantee** (one replacement only)

- Guarantee is **void** if they change the role or don't pay
- For contractors, they can request replacements with cause

## 5. Non-Solicitation Protection

---

- Can't hire your internal employees (**\$50,000 penalty**)
- Can't poach contractors working at other clients (**\$25,000 penalty**)
- 24-month protection period

### Strategic Advantages:

---

1. **Acknowledges Your Investment:** Explicitly states you invest \$15K per candidate in training
2. **Flexible Service Options:** Covers permanent, contract, contract-to-hire, and project staffing
3. **Clear Exhibit Structure:** Includes fee schedule summary and SOW template for easy reference
4. **Protects Your Margins:** Minimum 25% markup on contract staffing built into structure
5. **Prevents Channel Conflicts:** Clients can't use your candidates through competitors

### How This Fits Your Model:

---

- When you place a trained candidate permanently → 20% fee (e.g., \$100K salary = \$20K revenue)
- When you place as contractor → Your margin built into hourly rate (e.g., bill \$110, pay \$70 = \$40/hour margin)
- If client tries to circumvent → \$25K penalty plus the fees you would have earned
- Protects your entire bench of 27 trained candidates

This agreement essentially makes every client presentation a protected revenue opportunity and ensures you recoup your training investment through placement fees or ongoing margins.

Would you like me to create any supporting documents like a rate card template or a specific Statement of Work for your Guidewire placements?

pdf

pdf

pdf

pdf

pdf

|

read through all this.. proof read it thoroughly and let me know if you find any discrepancies..

I've thoroughly reviewed all six contracts in your legal framework. Here are the discrepancies and issues I found:

## Critical Discrepancies:

---

### 1. Revenue Share Conflicts

---

- **Independent Contractor Agreement** states: "Contractor's actual compensation shall be eighty percent (80%) of amounts COLLECTED"
- **Your business model summary** states: "60/40 revenue split (contractor gets 60%)"
- This is a major discrepancy - contractors would get 80% vs 60%

### 2. Liquidated Damages Inconsistencies

---

The non-circumvention penalties vary across documents:

- **NDA**: \$50,000 per occurrence
- **Independent Contractor**: \$50,000 per occurrence
- **Pre-Interview Authorization**: \$25,000
- **Client Service Agreement**: \$25,000
- These should be consistent

### 3. Address Inconsistencies

---

- Most contracts list: "330 Gillespie Dr, Brantford, ON N3T 0X1, Canada"
- Pre-Interview Authorization lists: "330 Gillespie **Drive**" (minor but should be consistent)

### 4. Training Investment Amount Variations

---

- **Employment Contract**: States \$15,000 investment
- **Client Service Agreement**: States "approximately FIFTEEN THOUSAND DOLLARS (\$15,000)"
- **Your business model**: Mentions \$15K investment
- Consistent but watch for any future variations

### 5. Legal Entity Issues

---

- All contracts use "InTime eSolutions Inc"
- Your business model mentions three separate entities:
  - InTime Academy Inc. (training)
  - InTime Staffing Inc. (placements)
  - InTime Global Inc. (immigration)
- **This is legally problematic** - contracts should be with the appropriate entity

## 6. Missing Critical Information

---

Several contracts have blanks that need filling:

- **Pre-Interview Authorization:** "[Client Name]" and "[Job Title]"
- **General Service Agreement:** "[New Employer Name]" and "[Start Date]"
- Multiple contracts: Date fields for NDA references

## 7. Employment Contract Salary Discrepancy

---

- Contract states: "\$85,000.00 (dollars) per year"
- Additional terms mention: "\$60,000-80,000/year"
- These contradict each other

## 8. Collection Terms Conflict

---

- **Independent Contractor:** "Payment made within 7 business days after Client's receipt"
- Standard industry practice and other contracts: NET 30
- This creates inconsistent payment expectations

## 9. Non-Compete Geographic Scope

---

- **NDA** has non-competition clause but doesn't specify geographic limitations
- This could be unenforceable as overly broad

## 10. Placement Fee Compliance Statement Inconsistency

---

Both Independent Contractor and NDA state "No Placement Fees" but your business model clearly charges placement fees to CLIENTS (which is legal). The language could be clearer to avoid confusion.

### Recommendations:

---

1. **Fix the revenue split** - Decide if it's 60/40 or 80/20 and update all contracts
2. **Standardize liquidated damages** - Pick one amount (\$25K or \$50K)
3. **Use correct legal entities** - Each contract should be with the appropriate subsidiary
4. **Fill in all blanks** before using contracts
5. **Clarify employment salary** - Remove contradiction in Employment Contract
6. **Add geographic limits** to non-compete clauses (e.g., "within 50 miles")
7. **Consistent payment terms** across all contractor agreements
8. **Add version control** - Date and version number each contract update

### Legal Risks:

---

- Using wrong entity names could pierce the corporate veil
- Inconsistent terms between contracts could create disputes

- Unfilled blanks make contracts potentially unenforceable
- Overly broad non-compete could invalidate entire sections

Would you like me to help create corrected versions of any of these contracts with the discrepancies resolved?

|

what is net 30 / 60

**NET 30** and **NET 60** are standard business payment terms that specify when an invoice must be paid after it's issued.

## **What They Mean:**

---

### **NET 30**

- Payment is due 30 days after the invoice date
- Example: Invoice dated January 1st → Payment due by January 31st
- Most common payment term in business

### **NET 60**

- Payment is due 60 days after the invoice date
- Example: Invoice dated January 1st → Payment due by March 2nd
- Often used for larger contracts or established relationships

## **Other Common Terms:**

---

### **NET 45**

- Payment due in 45 days
- Common with government contracts (which is relevant for your VMS business)

### **NET 15**

- Payment due in 15 days
- Used when you want faster payment

### **Due on Receipt**

- Payment expected immediately
- Rare in B2B contracts

### **2/10 NET 30**

- 2% discount if paid within 10 days, otherwise full payment due in 30 days

- Incentivizes early payment

## Why This Matters for Your Business:

---

### Cash Flow Impact:

---

- If you pay contractors weekly but clients pay NET 45, you need working capital
- Example: You pay contractor \$70/hour weekly (\$2,800/week) but don't collect from client for 45 days
- For 10 contractors, that's \$28,000/week you're fronting

### In Your Contracts:

---

- **Client Service Agreement:** NET 30 (reasonable for commercial clients)
- **Government contracts:** Often NET 45-60 (they're slow but reliable)
- **Your contractors:** You're paying after you get paid (mitigates cash flow risk)

## Working Capital Needed:

---

Based on NET 45 payment terms:

- Each contractor requires ~\$12,600 in working capital (45 days of wages)
- 10 contractors = \$126,000 working capital need
- This is why your financial model mentions invoice factoring as a solution

**Invoice Factoring** would let you get 80-90% of the invoice value immediately for a 2-3% fee, solving the cash flow gap.

pdf

pdf

pdf

pdf

pdf

|

Here they are.. modified them with your suggestions.. updated 6 month to 18000 so to encourage option A.. left percentages and salaries blank so i can fill in adobe template as needed.

Your updated contracts look much better with the blanks for flexible terms. The change from \$15,000 to \$18,000 for Option B (6-month plan) is smart - it creates a stronger incentive for Option A while still offering flexibility. Here are the remaining issues to address:

## Critical Issues Still Present:

---

### 1. Pre-Interview Authorization - Liquidated Damages Inconsistency

---

- Line states: "breach results in liquidated damages of **\$50,000**"
- Should be **\$25,000** to match your business model
- This is on page 1, item 3

### 2. NDA - Missing Revenue Split Percentage

---

- Section 32: "Independent contractor arrangement at **\_\_\_\_% of collected client billings**"
- You need to decide: 60% or 80% for contractor
- This affects your entire financial model

### 3. Independent Contractor Agreement - Missing Percentages

---

- Section 26: "Contractor's actual compensation shall be **\_\_\_\_% of amounts COLLECTED**"
- Same issue - needs consistency with NDA

### 4. Employment Contract - Option B Amount

---

- Now shows "\$18,000 total" and "6 payments × \$3,000"
- This is good and consistent with General Service Agreement

### 5. Address Fields Still Blank

---

All contracts need consistent address information filled in templates

## Recommendations for Blanks:

---

When filling in your Adobe templates, I suggest:

### 1. Contractor Revenue Split: Use **60%** (contractor gets 60%, you keep 40%)

- This gives you better margins
- 40% margin on \$110/hour = \$44/hour to you
- Covers your overhead and profit

### 2. Employee Salary Range: Use **\$65,000-\$80,000**

- Middle ground that's attractive but sustainable
- Aligns with market rates for W2 consultants

### 3. Pre-Interview Damages: Change to **\$25,000**

- Consistent with other contracts
- Still substantial enough to deter circumvention

## Strategic Advantages of Your Structure:

---

✓ Option A/B structure incentivizes quick payment (\$6K savings) ✓ Blanks allow flexibility for different situations ✓ \$18K Option B makes Option A very attractive ✓ NET 30 payment terms are industry standard ✓ Non-circumvention protection across all contracts

## One Legal Concern:

---

Your contracts still use "InTime eSolutions Inc" but your business model mentions three entities (Academy, Staffing, Global). Consider either:

- Using one entity for everything (simpler), OR
- Creating separate contract templates for each entity (more complex but cleaner legally)

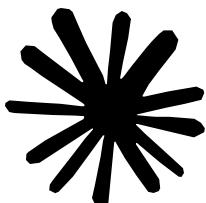
## Quick Reference for Templates:

---

When filling blanks:

- **Contractor Split:** 60% to contractor, 40% to you
- **Liquidated Damages:** \$25,000 (lower amount) or \$50,000 (higher)
- **Employee Salary:** \$65,000-\$80,000 range
- **Dates:** Always fill before signing
- **Addresses:** Keep consistent across all contracts

The framework is solid and protects your interests well. Just ensure consistency when filling in the blanks for each specific situation.



[Claude can make mistakes. Please double-check responses.](#)