

## **Payment Terms for Sub Consultants**

### **Background**

Neilly Davies & Partners Pty Ltd is a multidisciplinary engineering consulting firm, we provide consulting services that include Structural, Civil, Hydraulics and Building Services. With Building Services, we carry out designs for Electrical and Hydraulic Services in house and for Mechanical, Sewer and Fire services design we approach individual professionals or firms such as sub consultants to provide those services.

Neilly Davies & Partners Pty Ltd tender for Govt. as well as private projects via Lead Architects, the Govt. projects are very often managed by Lead Architects who tender for these projects while on a consultant's panel with Govt. They invite us to put in prices for the components that we specialise in. When we submit our proposal, we submit as a package that includes all Building Services, Structural, Civil and Hydraulic design services. When we are successful with any of these submissions to the Lead Architects, they offer the project via "Letter of Award" we then assign subconsultants for the components that we do not deliver inhouse. The payments for these services are received via the lead Architect who receives the funds from Govt. at stages described as Stages A to C when the work is concluded at those stages to the satisfaction of Govt. agencies and the Lead Architect, the subconsultants are requested for the appropriate invoice and then paid by Neilly Davies Pty Ltd accordingly as per payment terms that have been outlined below:

### **Payment Terms**

1. Initial 25% - Advance Upfront
2. Progress 25% Invoice – To be raised upon completing the Stage B works (i.e. to the satisfaction of architect) and payable within 30 days from the date of receipt of invoice and Neilly Davies in receipt of the respective payment from our client.
3. Progress 40% Invoice – To be raised upon completing the Stage C works (i.e. to the satisfaction of architect) and payable within 30 days from the date of receipt of invoice and Neilly Davies in receipt of the respective payment from our client.
4. Final 10% Invoice – To be raised upon Issuing the compliance certificate and payable within 30 days from the date of receipt of invoice and Neilly Davies in receipt of the respective payment from our client.