

Termination and Suspension Clause

Sample Clause for Civil Construction Subcontract

1. Suspension by Contractor

The Contractor may, at any time and for any reason, suspend the Subcontract Work or any part thereof by providing the Subcontractor with a written notice specifying the part of the Subcontract Work to be suspended and the effective date of suspension. Upon receipt of such notice, the Subcontractor shall immediately cease the specified work in accordance with the notice.

2. Termination for Convenience

The Contractor reserves the right to terminate this Subcontract, in whole or in part, for its convenience by giving written notice to the Subcontractor. In the event of such termination, the Subcontractor shall be entitled to payment for the value of the work performed and reasonable demobilization costs up to the date of termination, but shall not be entitled to any loss of anticipated profits or additional damages.

3. Termination for Default

If the Subcontractor:

- Fails to perform any of the work required by this Subcontract in a timely or workmanlike manner; or
- Becomes insolvent, declares bankruptcy, or makes a general assignment for the benefit of creditors;

the Contractor may, after giving written notice and an opportunity to remedy the default within a specified period (not less than 5 working days), terminate the Subcontract. Upon such termination, the Contractor may complete the work by whatever method deemed appropriate, and the Subcontractor shall be liable for all additional costs incurred by the Contractor as a result.

4. Subcontractor's Right to Suspend or Terminate

The Subcontractor may suspend performance or terminate the Subcontract if:

1. The Contractor fails to make payment in accordance with the terms of this Subcontract and such failure continues for 14 days after written notice from the Subcontractor; or
2. Other material breaches remain uncured after written notice and a reasonable cure period.

Upon such suspension or termination, the Subcontractor shall be entitled to payment for work properly performed up to the date of suspension or termination, subject to any offsets permitted under the Subcontract.

5. Effect of Termination or Suspension

Upon receipt of a notice of termination or suspension, the Subcontractor shall:

- Immediately discontinue the affected work as directed;
- Submit an itemized statement of the Subcontractor's costs incurred up to the effective date of suspension or termination;
- Take all reasonable steps to mitigate costs and protect the work.