



Purpose:

A back charge is a deduction from a subcontractor's contract value or an additional charge to cover costs caused by their failure to meet contractual obligations (e.g., defective work, damages, or delays). This process allows Crain to recover expenses incurred for repairs or to accelerate work. This SOP outlines how the site superintendent should notify and document back charges.

Procedure:

- 1) Notification
 - a) **Before corrective work begins**, notify the subcontractor that an issue has been identified which may result in a back charge.
 - b) Meet with the subcontractor's representative to review:
 - (1) The issue or damaged item.
 - (2) Who will pay for corrective work.
 - (3) Why the subcontractor is responsible.
 - (4) Deadline for completing corrections.
 - (5) Estimated cost of the back charge (if available, after consulting the repair contractor and Crain project manager).
 - c) Send a follow-up email summarizing the discussion as formal notification.
 - d) Inform the Crain project manager that the situation will result in a back charge.
- 2) Documentation
 - a) To make the back charge indisputable, collect and upload the following to Procore:
 - i) **Photos:**
 - (1) **Before** corrective work begins.
 - (2) **During and after** completion.
 - ii) **Marked-up drawings:**
 - (1) Show current vs. correct locations or dimensions (e.g., misplaced walls, incorrectly built cabinets).
 - iii) **Email communication:**
 - (1) Detail the issue, corrective actions, and associated costs.
 - (2) Follow up on any phone conversations with an email.
 - (3) Request acknowledgment from the subcontractor confirming awareness.