

Build your own consulting contract using this sample form

Version 1.0 January 30, 2006

Independent IT consultants, by their nature, are typically on their own when it comes to developing project or consulting contracts. The following sample contract, put together by TechRepublic member Randy Barger, can be adapted for use by any consultant or contractor. The shaded areas of this document indicate information that should be added or altered. (NOTE: Laws vary by state and country. You should ask an attorney to review your adaptation of this agreement.)

This Agreement is entered into as of the day of **XXXX** 200**X**, between **Company Name** ("the Company") and **Consultant Name** ("the Consultant").

- <u>Independent Consultant:</u> Subject to the terms and conditions of this Agreement, the Company hereby engages the Consultant as an independent consultant to perform the services set forth herein, and the Consultant hereby accepts such engagement.
- <u>Duties, Term, and Compensation:</u> The Consultant's duties, term of engagement, compensation, and provisions for payment thereof shall be as set forth in the estimate previously provided to the Company by the Consultant and which is attached as Exhibit A, which may be amended in writing from time to time or supplemented with subsequent estimates for services to be rendered by the Consultant and agreed to by the Company and which collectively are hereby incorporated by reference.
- <u>Expenses:</u> During the term of this Agreement, the Consultant shall bill and the Company shall reimburse him/her for all reasonable and approved out-of-pocket expenses that are incurred in connection with the performance of the duties hereunder. **[Optional:** Notwithstanding the foregoing, expenses for the time spent by the Consultant in traveling to and from Company facilities shall not be reimbursable.**]**
- <u>Written Reports:</u> The Company may request that project plans, progress reports, and a final results report be provided by the Consultant on a periodic basis.
- <u>Inventions:</u> Any and all inventions, discoveries, developments, and innovations conceived by the Consultant during this engagement relative to the duties under this Agreement shall be the exclusive property of the Company, and the Consultant hereby assigns all right, title, and interest in the same to the Company.

Any and all inventions, discoveries, developments and innovations conceived by the Consultant prior to the term of this Agreement and utilized by him/her in rendering duties to the Company are hereby licensed to the Company for use in its operations and for an infinite duration. This license is nonexclusive and may be assigned without the Consultant's prior written approval by the Company to a wholly owned subsidiary of the Company.

 <u>Confidentiality:</u> The Consultant acknowledges that during the engagement he/she will have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records, and specifications owned or licensed by the Company and/or used by the Company in connection with the operation of its business including, without limitation, the Company's business and product processes, methods, customer lists, accounts, and procedures.

The Consultant agrees that he/she will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of this engagement with the Company.

All files, records, documents, blueprints, specifications, information, letters, notes, media lists, original artwork/creative, notebooks, and similar items relating to the business of the Company, whether prepared by the Consultant or otherwise coming into his/her possession, shall remain the exclusive property of the Company.

The Consultant shall not retain any copies of the foregoing without the Company's prior written permission. Upon the expiration or earlier termination of this Agreement, or whenever requested by the Company, the Consultant shall immediately deliver to the Company all such files, records, documents, specifications, information, and other items in his/her possession or under his/her control.

The Consultant further agrees that he/she will not disclose his/her retention as an independent consultant or the terms of this Agreement to any person without the prior written consent of the Company and shall at all times preserve the confidential nature of his/her relationship to the Company and of the services hereunder.

- <u>Conflicts of Interest; Nonhire Provision:</u> During the term of this agreement, the Consultant shall devote as much of his/her productive time, energy, and abilities to the performance of his/her duties hereunder as is necessary to perform the required duties in a timely and productive manner. The Consultant is expressly free to perform services for other parties while performing services for the Company.
 - For a period of six months following any termination, the Consultant shall not, directly or indirectly, hire, solicit, or encourage to leave the Company's employment, any employee, consultant, or consultant of the Company or hire any such employee, consultant, or consultant who has left the Company's employment or contractual engagement within six months of such employment or engagement.
- Right to Injunction: The parties hereto acknowledge that the services to be rendered by the Consultant under
 this Agreement and the rights and privileges granted to the Company under the Agreement are of a special,
 unique, unusual, and extraordinary character which gives them a peculiar value, the loss of which cannot be
 reasonably or adequately compensated by damages in any action at law, and the breach by the Consultant of
 any of the provisions of this Agreement will cause the Company irreparable injury and damage.

The Consultant expressly agrees that the Company shall be entitled to injunctive and other equitable relief in the event of, or to prevent, a breach of any provision of this Agreement by the Consultant. Resort to such equitable relief, however, shall not be construed to be a waiver of any other rights or remedies that the Company may have for damages or otherwise.

The various rights and remedies of the Company under this Agreement or otherwise shall be construed to be cumulative, and no one of the them shall be exclusive of any other or of any right or remedy allowed by law.

- <u>Merger:</u> The merger or consolidation of the Company into or with any other entity shall not terminate this Agreement.
- <u>Termination:</u> Either party may terminate this Agreement at any time by number of days notice working days' written notice to the other party. In addition, if the Consultant is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directive of the Company, is guilty of serious misconduct in connection with performance hereunder, or materially breaches provisions of this Agreement, the Company at any time may terminate the engagement of the Consultant immediately and without prior written notice to the Consultant.
- <u>Independent Consultant:</u> This Agreement shall not render the Consultant an employee, partner, agent of, or joint venturer with the Company for any purpose. The Consultant is and will remain an independent consultant in his/her relationship to the Company.

The Company shall not be responsible for withholding taxes with respect to the Consultant's compensation hereunder. The Consultant shall have no claim against the Company hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

- <u>Insurance:</u> The Consultant will carry liability insurance relative to any service that he/she performs for the Company.
- <u>Successors and Assigns:</u> All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, if any, successors, and assigns.
- <u>Choice of Law:</u> The laws of the state of state shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto.
- <u>Arbitration:</u> Any controversies arising out of the terms of this Agreement or its interpretation shall be settled in state in accordance with the rules of the American Arbitration Association, and the judgment upon award may be entered in any court having jurisdiction thereof.
- <u>Headings:</u> Section headings are not to be considered a part of this Agreement and are not intended to be a full and accurate description of the contents hereof.
- <u>Waiver:</u> Waiver by one party hereto of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver.
- <u>Assignment:</u> The Consultant shall not assign any of his/her rights under this Agreement, or delegate the performance of any of his/her duties hereunder, without the prior written consent of the Company.
- <u>Notices:</u> Any and all notices, demands, or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to another party if personally served or if

deposited in the United States mail. If such notice or demand is served personally, notice shall be deemed constructively made at the time of such personal service. If such notice, demand, or other communication is given by mail, such notice shall be conclusively deemed given five days after deposit thereof in the United States mail addressed to the party to whom such notice, demand, or other communication is to be given as follows:

If to the Consultant: Consultant Name

Address City, ST Zip

If to the Company: Company Contact Name

Address City, ST Zip

Any party hereto may change its address for purposes of this paragraph by written notice given in the manner provided above.

- 1. <u>Modification or Amendment:</u> No amendment, change, or modification of this Agreement shall be valid unless in writing signed by the parties hereto.
- 2. <u>Entire Understanding:</u> This document and any exhibit attached constitute the entire understanding and agreement of the parties, and any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.
- 3. <u>Unenforceability of Provisions:</u> If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above. The parties hereto agree that facsimile signatures shall be as effective as if originals.

Company Name	Consultant Name
Ву:	By:
Company Contact Title	Independent Consultant

EXHIBIT A

Duties, term, and compensation

DUTIES: The Consultant will list duties here. He/She will report directly to Supervisor Name **[Optional:** and to any other party designated by Supervisor's Manager in connection with the performance of the duties under this Agreement**]** and shall fulfill any other duties reasonably requested by the Company and agreed to by the Consultant.

TERM: This engagement shall commence upon execution of this Agreement and shall continue in full force and effect through date. The Agreement may only be extended thereafter by mutual agreement, unless terminated earlier by operation of and in accordance with this Agreement.

[If Hourly-Based Compensation]

COMPENSATION: As full compensation for the services rendered pursuant to this Agreement, the Company shall pay the Consultant at the hourly rate of \$dollars per hour **[Optional:**, with total hours not to exceed 40 in any work week without prior approval by an authorized representative of the Company**]**. Such compensation shall be payable within number days of receipt of Consultant's weekly or semi-monthly invoice for services rendered supported by reasonable documentation. **[Optional:** If payment is not received within the number-day period, a 1.5 percent late fee will be applied. If payment is not received within number days of receipt of invoice, the contract shall be considered in breach.]

[If Project-Based Compensation]

COMPENSATION: As full compensation for the services rendered pursuant to this Agreement, the Company shall pay the Contractor the sum of \$dollars, to be paid time and conditions of payment.

Additional resources

- TechRepublic's <u>Downloads</u> RSS Feed <u>XML</u>
- Sign up for our Downloads Weekly Update newsletter
- Sign up for our IT Career NetNote, delivered on Mondays and Thursdays.
- Check out all of TechRepublic's free newsletters
- "10 things you should know about starting an IT consulting business" (TechRepublic download)
- "Five essential rules for successful consulting" (TechRepublic download)
- "Solicit valuable feedback from clients with these evaluation forms" (TechRepublic download)

Version history

Version: 2.0

Update: January 30, 2006—Reformatted; resources added

Originally published: July 10, 2001

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Thanks!

—The TechRepublic Downloads Team