

Contractor doctor: can the agent renew my contract automatically?

Dear Contractor Doctor,

My contract with an agency ended last December, and I was offered a one year extension.

I wanted to continue, but also wanted to negotiate some contract changes, adding a termination clause and also increasing my daily rate.

But before I could negotiate all this, I received a letter from the agency stating that my contract had been "extended." No reply was expected. I sent an email to the accounts manager asking for changes, but did not receive a reply. As the accounts manager was on holiday, I continued working this month into the new contract period. I sent another email to the project manager. I never got a reply from either of them.

In the mean time I have received a better contract offer, and I want to leave this one.

Am I obliged to stay under the contract the agency says has been extended, and if I leave this assignment by giving a weeks notice, can the agency hold the payment for the last invoice?

Thanks for the help.

Ramesh

Contractor Doctor says:

When you have questions about contractual obligations, the first place to look is your contract.

You were kind enough to send us the relevant section of it. We found that your contract included a clause which states that renewal has to be agreed in writing by both parties-- that means by you and by the agency.

Instead of taking the trouble to negotiate a renewal with you, the agency has tried to economise on its time by sending you a letter and by ignoring your requests to renegotiate. A letter with terms proposed unilaterally by one party to the contract obviously has no legal standing.

You should understand that you have no obligation to continue working for this agency.

You can walk out of this assignment whenever you wish, and you have a right to payment for every hour that you've worked (unfortunately at the rate specified by the old contract). You can inform the agency that unless they sign a new contract with you, you will do so.

However, you may want to consider if it is in your interest to do so. If you like the work and the client, why not have a word with the manager you work with onsite? Tell that person that you'd like to continue, but you want to get the contract details straight with the agency, and they won't cooperate. If the client is on your side, usually the agency will fall into line.

You should, however, in the future, handle renewals before they come due. Don't wait until after the contract period is over; get all the paperwork straight the way you want it well before the current contract is due to expire.

Good luck with your contracting!

Contractor Doctor

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