TEMPLATE, NOT LEGAL ADVICE. Have counsel adapt this rider to your agreements and your jurisdiction before use. Replace every highlighted [bracket].

AI Rider

Model provisions on artificial intelligence for a subcontract, subconsulting agreement or engagement letter

This AI Rider (the "Rider") is made part of the [Subcontract / Agreement] dated [DATE] between [CONTRACTOR NAME] ("Contractor") and [SUBCONTRACTOR / CONSULTANT NAME] ("Subcontractor") for the [PROJECT NAME] (the "Project"). If this Rider conflicts with the Agreement on the subject of AI Tools or Contractor Data, this Rider controls. Entry of Contractor Data into an AI Tool other than as permitted by this Rider is a breach of the confidentiality provisions of the Agreement, in addition to a breach of this Rider.

1. Definitions

"AI Tool" means any software, service or feature that uses machine learning, a large language model or similar technology to generate, summarize, classify, extract, translate or analyze text, numbers, images, drawings, models or other content, whether stand-alone or built into other software.

"Contractor Data" means all information Subcontractor receives from or on behalf of Contractor, the Owner or the Project, including drawings, specifications, pricing, schedules, correspondence, contract documents and any material derived from them.

"AI-Assisted Deliverable" means any submittal, estimate, schedule, narrative, letter, calculation, drawing, report or other work product delivered to Contractor that was drafted, generated, checked or materially shaped by an AI Tool.

2. Governing AI policy

Subcontractor shall follow a written AI use policy in performing the Work. Subcontractor shall either (a) attach its own written policy as Exhibit [X], dated and versioned, or (b) follow Contractor's AI use policy, version [___], as provided to Subcontractor. Subcontractor shall notify Contractor in writing before any material change to the policy that applies to the Work.

3. Disclosure of AI Tools

Schedule A lists each AI Tool Subcontractor may use in performing the Work, by product name and account or license type (for example, enterprise, business or individual). Subcontractor shall not use any other AI Tool on the Work or with Contractor Data without giving Contractor [ten (10)] business days' written notice. Contractor may object in writing within that period, and Subcontractor shall not use the objected-to tool on the Work.

4. Restricted data

Subcontractor shall not enter the following into any AI Tool without Contractor's prior written consent: (a) bid, proposal and subcontractor pricing; (b) correspondence or documents the Owner has marked

confidential or provided under a non-disclosure agreement; (c) materials prepared at the direction of counsel or concerning a claim or dispute; (d) personal information of any individual; and (e) [OTHER CATEGORIES]. Subcontractor may enter other Contractor Data only into AI Tools listed in Schedule A.

5. No training; retention; export and deletion

Subcontractor shall not use, and shall not permit any AI Tool provider to use, Contractor Data or any output derived from it to train, fine-tune or improve any model or service for any party other than Contractor. Subcontractor shall retain Contractor Data in AI Tools only as long as needed to perform the Work. Within [thirty (30)] days after completion of the Work, termination, or Contractor's written request, Subcontractor shall return or export Contractor Data and associated prompts and outputs in a reasonably usable format, then delete them from all AI Tools and certify the deletion in writing, except as Section 7 requires otherwise.

6. Human review and standard of care

Before delivering any AI-Assisted Deliverable, a qualified individual employed or engaged by Subcontractor shall review it, including checking figures, quantities, citations and references against their sources. Subcontractor shall identify AI-Assisted Deliverables when delivered and record the reviewer's name with each. Use of an AI Tool does not change Subcontractor's standard of care, warranties or obligations under the Agreement, and is not a defense to any claim that the Work is deficient.

7. Records

Subcontractor shall keep a record of which AI Tools were used on each AI-Assisted Deliverable and the reviewer for each, for the longer of [six (6)] years after final completion or the period required by the Agreement, and shall produce it to Contractor on reasonable request. When Contractor gives notice of a claim, dispute or litigation hold, Subcontractor shall preserve related prompts, inputs and outputs and shall suspend deletion under Section 5 for that material.

8. Insurance

(a) For the term of the Agreement and [two (2)] years after final completion, Subcontractor shall maintain, in addition to the insurance the Agreement requires: (i) cyber liability insurance with limits of not less than $[AMOUNT] per claim covering unauthorized disclosure of third-party data, including disclosure through an AI Tool; and (ii) where the Work includes design, engineering or other professional services, professional liability insurance with limits of not less than $[AMOUNT] per claim that does not exclude claims arising from the use of AI Tools.

(b) Subcontractor represents that it has asked its broker in writing whether any policy required by this Section or the Agreement contains an exclusion for claims arising from artificial intelligence, generative AI, machine learning or algorithms, and has disclosed every such exclusion to Contractor in writing before signing. Subcontractor shall give Contractor written notice within [ten (10)] business days of any new or changed exclusion of that kind, and shall provide the endorsement on request.

(c) Where a policy required by this Section contains an AI exclusion, Contractor may require Subcontractor to obtain an endorsement removing it, or to provide substitute coverage, as a condition of continuing the Work.

(d) Subcontractor shall cause Contractor to be named as an additional insured on the cyber policy to the extent the policy permits.

9. Incidents

Subcontractor shall notify Contractor in writing within [forty-eight (48)] hours after learning that Contractor Data was entered into an AI Tool in violation of this Rider, identifying the tool, the account type, the data involved and whether model training was disabled at the time, and shall cooperate with Contractor's reasonable steps to contain the incident.

10. Flow-down

Subcontractor shall include provisions substantially similar to this Rider in every lower-tier subcontract, subconsulting agreement and supplier agreement under which Contractor Data is shared, and shall be responsible to Contractor for compliance by those parties.

Where the Prime Contract or any Owner requirement contains terms governing the use of artificial intelligence on the Project, those terms are attached as Exhibit [__] and bind Subcontractor as if set out in this Rider. In a conflict between those terms and this Rider, the stricter term controls.

11. Verification

On [fifteen (15)] business days' written notice and no more than once per year (or at any time after an incident under Section 9), Subcontractor shall provide written answers and reasonable supporting evidence showing compliance with this Rider, such as its current policy, Schedule A, AI Tool settings and the records kept under Section 7.

12. Survival

Sections 4, 5, 7, 8(a), 9, 10, 13 and 14 survive completion, expiration or termination of the Agreement.

13. Indemnity

(a) Subcontractor's indemnity obligations under the Agreement apply to any claim, loss, fine, penalty or expense, including reasonable attorneys' fees, arising from Subcontractor's or its lower-tier parties' breach of this Rider, including any entry of Contractor Data into an AI Tool in violation of Sections 3, 4 or 5.

(b) Any limitation of liability or waiver of consequential damages in the Agreement does not apply to a breach of this Rider to the same extent that the Prime Contract excludes breaches of confidentiality from the Owner's waiver of consequential damages against Contractor, and in any event does not apply to amounts Contractor is required to pay the Owner or any third party as a result of Subcontractor's breach.

(c) Subcontractor's obligations under this Section are not reduced by Subcontractor's lack of intent to disclose, or by the fact that the AI Tool provider, not Subcontractor, retained, used or disclosed the data.

14. Remedies

(a) A breach of Section 4 (Restricted data) or Section 5 (No training) is a material breach of the Agreement.

(b) On written notice of a breach of this Rider, Contractor may, without limiting any other remedy: (i) suspend Subcontractor's access to Contractor Data until the breach is cured; (ii) require Subcontractor to stop using the AI Tool involved on the Work; (iii) withhold from amounts otherwise due Contractor's reasonable estimate of the cost to contain and remedy the breach, including notification costs, until the breach is cured; and (iv) if the breach is not cured within [ten (10)] business days after notice, or cannot be cured, terminate the Agreement for cause.

(c) Subcontractor shall bear the cost of containment, notification and remediation of any breach of this Rider.

Schedule A: Approved AI Tools

AI tool	Account type	Permitted uses on the Work	Training off?	Approved by

Signatures

CONTRACTOR: _____

Name and title: _____ Date: _____

SUBCONTRACTOR / CONSULTANT: _____

Name and title: _____ Date: _____