

Clause X22

Identified and X22  
defined terms

- X22.1 (1) The Access Dates are the *access dates* unless later changed in accordance with the contract.
- (2) Budget is the items and amounts stated in the Contract Data unless the amounts are later changed in accordance with the contract.
- (3) Project Cost is the total paid by the *Client* to the *Contractor* and Others for the items included in the Budget.
- (4) Stage One and Stage Two have the meanings given to them in the Scope.
- (5) Pricing Information is information which specifies how the *Contractor* prepares its assessment of the Prices for Stage Two, and is in the document which the Contract Data states it is in.

Forecasts

- X22.2 (1) The *Contractor* provides detailed forecasts of the total Defined Cost of the work to be done in Stage One for acceptance by the *Project Manager*. Forecasts are prepared at the intervals stated in the Contract Data from the *starting date* until the issue of a notice to proceed to Stage Two.
- (2) Within one week of *the Contractor* submitting a forecast for acceptance, the *Project Manager* either accepts the forecast or notifies the *Contractor* of the reasons for not accepting it. A reason for not accepting the forecast is that
- it does not comply with the Scope or
  - it includes work which is not necessary for Stage One.
- (3) The *Contractor* makes a revised submission taking account of the *Project Manager's* reasons.
- (4) The cost of any work that is not included in the accepted forecast is treated as a Disallowed Cost.
- (5) The *Contractor* prepares forecasts of the Project Cost in consultation with the *Project Manager* and submits them to the *Project Manager*. Forecasts are prepared at the intervals stated in the Contract Data from the *starting date*

until Completion of the whole of the *works*. An explanation of the changes made since the previous forecast is submitted with each forecast.

Proposals for X22.3 (1) The *Contractor* prepares its proposals for Stage Two in consultation with the *Project Manager* and submits them to the *Project Manager* in accordance with the submission procedure stated in the Scope. The submission includes the *Contractor's* forecast of the effect of the proposals on the Project Cost and the Accepted Programme.

(2) At the end of Stage One the *Contractor* submits to the *Project Manager* for acceptance

- its proposals for Stage Two,
- a revised programme,
- any revisions to the Access Dates, Key Dates and the Completion Date and
- the total of the Prices or any change to the total of the Prices

in accordance with the submission procedure stated in the Scope.

If the main Option is C, the total of the Prices is in the form of revisions to the Activity Schedule. A revised Activity Schedule includes the Price for Work Done to Date in Stage One.

(3) If the submission is not accepted, the *Project Manager* gives reasons. A reason for not accepting a *Contractor's* submission is that

- it does not comply with the Scope,
- it will cause unnecessary delay to the Access Dates, Key Dates or the Completion Date,
- it will cause the *Client* to incur unnecessary costs to Others or
- the *Project Manager* is not satisfied that the total of the Prices or any changes to the total of the Prices have been properly assessed.

(4) The *Contractor* makes a revised submission taking account of the *Project Manager's* reasons.

(5) The total of the Prices for Stage Two is assessed by the *Contractor* using the Pricing Information stated in the Contract Data.

(6) The *Contractor* obtains approvals and consents from Others as stated in the Scope.

(7) During Stage One the *Project Manager* and *Contractor* may agree to change the Site Information. The *Project Manager* changes to the Site Information as agreed.

(8) The *Contractor* completes any outstanding design during Stage Two.

(9) If the *Contractor's* obligation to Provide the Works is terminated during Stage One

- the amount due under A4 is any excess of the first forecast of the Defined Cost for the work to be done in Stage One over the Price for Work Done to Date less the Fee and
- if the main Option is C, there is no assessment of the *Contractor's* share.

Key persons X22.4 The *Contractor* does not replace any *key person* during Stage One unless

- the *Project Manager* instructs the *Contractor* to do so or
- the person is unable to continue to act in connection with the contract.

Notice to proceed to Stage Two X22.5 (1) At the end of Stage One the *Project Manager* issues either a notice to proceed to Stage Two or a notice that the *works* will not proceed to Stage Two.

(2) The *Project Manager* issues a notice to proceed to Stage Two when

- the *Contractor* has obtained approvals and consents from Others as stated in the Scope,

- changes to the Budget have been agreed or assessed by the *Project Manager*,
- the *Project Manager* and the *Contractor* have agreed the total of the Prices for Stage Two, any changes to the Access Date, Key Dates and the Completion Date and
- the *Client* has confirmed the *works* are to proceed.

(3) If a notice to proceed to Stage Two is issued, the *Project Manager* changes the Prices, the Access Dates, the Key Dates and the Completion Date accordingly and accepts the revised programme.

(4) After a notice to proceed to Stage Two is issued,

- any change to the Prices, Completion Date or Key Dates for a compensation event that occurred before the issue of the notice to proceed to Stage Two is treated as included in the change to the Prices, Key Dates and Completion Date in the notice to proceed to Stage Two,
- a compensation event which is judged against the Contract Date is instead judged against the date of the notice to proceed to Stage Two,
- if the main Option is C, the amount due on termination under A4 is the *fee percentage* applied to any excess of the total of the Prices, as changed in accordance with the notice to proceed to Stage Two, over the Price for Work Done to Date and
- if the main Option is E, the amount due on termination under A4 is any excess of the first forecast of the Defined Cost for the *works* issued after the notice to proceed to Stage Two over the Price for Work Done to Date less the Fee.

(5) If the *Project Manager* issues a notice that the *works* will not proceed to Stage Two, the *Project Manager*

- issues an instruction that the work in Stage Two is removed from the Scope,

- changes the Completion Date to the date of Completion of Stage One and
- if the main Option is C, changes the Prices to match the Price for Work Done to Date at the end of Stage One.

The instruction to remove the work in Stage Two from the Scope is not a compensation event.

(6) If the *Project Manager* issues a notice that the *works* will not proceed to Stage Two because

- the *Project Manager* and the *Contractor* have not agreed the total of the Prices or any changes to the Access Dates, Key Dates or the Completion Date,
- the *Contractor* has failed to achieve the performance requirements stated in the Scope

the *Client* may appoint another contractor to complete the Stage Two *works*.

Changes to the Budget X22.6 (1) If one of the following events happens, the *Project Manager* and the *Contractor* discuss different ways of dealing with changes to the Budget which are practicable.

- The *Project Manager* gives an instruction changing the *Client's* requirements stated in the Scope.
- Additional events stated in the Contract Data.

(2) The *Project Manager* and the *Contractor* agree changes to the Budget within four weeks of the event arising which changes the Budget. If the *Project Manager* and the *Contractor* cannot agree the changes to the Budget the *Project Manager* assesses the change and notifies the *Contractor* of the assessment.

Incentive payment X22.7 (1) If a notice to proceed to Stage Two is issued and the final Project Cost is less than the Budget, the *Contractor* is paid the budget incentive. The budget

incentive is calculated by multiplying the difference between the Budget and the final Project Cost by the percentage stated in the Contract Data.

(2) The *Project Manager* makes a preliminary assessment of the budget incentive at Completion of the whole of the *works* and includes this in the amount due following Completion of the whole of the *works*.

(3) The *Project Manager* makes a final assessment of the budget incentive and includes this in the final amount due.