

Revised X22 – ECC

Identified and defined terms	X22	
	X22.1	<p>(1) The Access Dates are the <i>access dates</i> unless otherwise changed in accordance with the contract.</p> <p>(2) Budget is the items and amounts stated in the Contract Data unless the amounts are later changed in accordance with the contract.</p> <p>(3) Project Cost is the total paid by the <i>Client</i> to the <i>Contractor</i> and Others for the items included in the Budget.</p> <p>(4) Stage One and Stage Two have the meanings given to them in the Scope.</p> <p>(5) Pricing Information is information which specifies how the <i>Contractor</i> prepares its assessment of the Prices for Stage Two, and is in the document which the Contract Data states it is in.</p>
Forecasts	X22.2	<p>(1) The <i>Contractor</i> provides detailed forecasts of the total Defined Cost of the work to be done in Stage One for acceptance by the <i>Project Manager</i>. 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.</p> <p>(2) Within one week of the <i>Contractor</i> submitting a forecast for acceptance, the <i>Project Manager</i> either accepts the forecast or notifies the <i>Contractor</i> of the reasons for not accepting it. A reason for not accepting the forecast is that</p> <ul style="list-style-type: none">• it does not comply with the Scope or• it includes work which is not necessary for Stage One. <p>(3) The <i>Contractor</i> makes a revised submission taking account of the <i>Project Manager's</i> reasons.</p> <p>(4) The cost of any work that is not included in the accepted forecast is treated as a Disallowed Cost.</p> <p>(5) The <i>Contractor</i> prepares forecasts of the Project Cost in consultation with the <i>Project Manager</i> and submits them to the <i>Project Manager</i>. Forecasts are prepared at the intervals stated in the Contract Data from the <i>starting date</i> until Completion of the whole of the works. An explanation of the changes made since the previous forecast is submitted with each forecast.</p>
Proposals for Stage Two	X22.3	<p>(1) The <i>Contractor</i> prepares its proposals for Stage Two in consultation with the <i>Project Manager</i> and submits them to the <i>Project Manager</i> in accordance with the submission procedure stated in the Scope. The submission includes the <i>Contractor's</i> forecast of the effect of the proposals on the Project Cost and the Accepted Programme.</p> <p>(2) At the end of Stage One the <i>Contractor</i> submits to the <i>Project Manager</i> for acceptance</p> <ul style="list-style-type: none">• 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 <p>in accordance with the submission procedure stated in the Scope.</p> <p>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.</p> <p>(3) If the submission is not accepted, the <i>Project Manager</i> gives reasons. A reason for not accepting a <i>Contractor's</i> submission is that</p> <ul style="list-style-type: none">• 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) Any additional Scope provided by the *Contractor* in Stage One becomes Scope provided by the *Contractor* for its design.

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

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) 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.
- (2) 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.
- (3) If a notice to proceed to Stage Two is not issued for any reason, the *Project Manager* issues an instruction that the work required in Stage Two is removed from the Scope. This instruction is not a compensation event.
- (4) If the *Project Manager* does not issue a notice to 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 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.