Roads

Volume 6
Early Contractor Involvement
(ECI) Contract

Stage 1 – Development of the
Stage 2 Offer

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STAGE 1 – DEVELOPMENT OF THE STAGE 2 OFFER

1 COMMENCE STAGE 1

1.1 Establish 'Design' Team

1.1.1 Context
The ECI Contract offers two options for designer engagement:
1) The Contractor nominates a Designer as part of their tender; or
2) In special circumstances, Main Roads novates the Designer used in the Concept Planning to the Contractor.

The 'Design Team' that must be established is comprised of personnel from each of the contracted parties, as required, to develop the Stage 2 Offer. This stage is the Principal's best opportunity to influence progress, without having actual 'design input'.

1.1.2 Process
The Contractor must engage the Designers named in the Tender to assist the Contractor to:
- Perform Planning and Preliminary Design Work;
- Perform Detailed Design and Documentation Work; and
- Discharge its obligations under the Contract.

The Contractor must not engage any Designer for performance of any work under the Contract who is not prequalified by Main Roads (at the appropriate level), unless directed in writing by the Principal. The Principal may direct the Contractor to terminate the engagement of any Designer if the level of prequalification, as assessed by the Principal, is or changes to a level that is less than that stated.

The Contractor must ensure each Designer completes and executes a Designer's Deed of Covenant (see the General Conditions of Contract) within 7 days of being engaged by the Contractor.

Within 7 days after the execution of each Designer's Deed of Covenant, the Contractor must execute the Deed and deliver it to the Principal's Representative.

The design of the Works must be in accordance with the Brief.

1.2 Permits and Approvals

1.2.1 Context
To minimise delays it is important to start discussions early with relevant bodies to ensure that all required approvals and permits are organised.

A key consideration in this process is the identification of those items which must be in place before the Stage 2 Offer may be accepted.
1.2.2 Process

The Contractor is responsible at all times for ensuring that all licences, registrations, permits, approvals and certificates that are required to carry out the work, have been granted.

Permits and approvals will vary from project to project, but may include Environmental Protection Agency (EPA) Eco-access (dredging/quarrying permits), Department of Mines & Energy (explosives permits) or Department of Primary Industries (DPI) permits and licences. A copy of all associated documents must be provided to the Principal's Representative.

Some projects have found it valuable to commission an expert with knowledge and expertise in the permit approval process. Any such resource will need to be included in the budget for Stage 1 and/or the Stage 2 Offer, as appropriate.

1.3 Alignment on Project Objectives

1.3.1 Context

Stage 1 is when the Principal, Contractor and Designer work together to get the best results in advancing or finalising the preliminary design and developing the Stage 2 price. This will usually be a design and construction price, however, it could be a construction-only price if the design work has been completed by the end of Stage 1. Stage 1 can also include completion of Early Works, if ordered.

It is desirable for the Principal's Representative's Agent (Contract Administrator) to be included in Stage 1 discussions. If this is not possible, then they must be fully briefed on all aspects of Stage 1 agreements.

1.3.2 Process

The primary project objectives are the drivers for the Key Result Areas (KRAs). These are measurable performance indicators developed around product quality, workmanship, team performance, traffic management and community engagement.

It is important early in the Contract to develop and maintain a three-way relationship facilitated by:

- Workshopping of objectives;
- Appointment of specialist relationship management consultants;
- Co-location of the Contractor and Designers; and
- Establishing clear and concise communication protocols within the team.

This gives all individuals an opportunity to gain trust and confidence, establish a rapport, and have a common focus within the delivery team.

1.4 Introduce Independent Estimator to the Team

1.4.1 Context

The Independent Estimator (IE) will be involved in discussions during Stage 1 to understand the background and basis for the estimate developed.

If requested by the Principal, the IE may be involved in appropriate audits of the Contractor's records to verify that production rates, overheads, margins, etc used in developing the Stage 2 Offer are consistent with the requirements of the Contract documents.
1.4.2 Process

The IE is required to attend relevant workshops, in particular Risk Management Workshops. The IE will also review the Stage 2 Offer and provide a Finalisation Report, with an overall review and validation of the estimate through "top down" benchmarking/comparisons with independent "bottom up" elemental analysis in specific areas.
1.5 Checklist – Commence Stage 1

Establish 'Design' Team

The Contractor must forward a copy of all formally executed Designers’ agreements to the Principal within 21 days of the Date of Acceptance of Tender.

Approvals and Permits

- Assign responsibility for arranging approvals and permits, particularly those which are pre-requisites for approval of the Stage 2 Offer.
- Consider engaging an expert to assist in applying for the required project permits and approvals.

Alignment on Project Objectives

- Finalise the commercial model, in particular, the Key Result Areas.

Introduce Independent Estimator to the Team

- The Independent Estimator will provide a Finalisation Report and incorporate any learnings that may be appropriate to the ECI process.
2 PRELIMINARY PLANNING AND DESIGN

2.1 Contractor Auditing and Benchmarking

2.1.1 Context
A minimum of three past projects are nominated to be used as benchmarks in the development of the RAP. These projects must have been tendered competitively. The current status of the benchmark projects (e.g. "complete", "in-progress") and their bid price/final price must be indicated. These projects should be relevant to the current project and will be subject to financial audit.

2.1.2 Process
The IE conducts an audit of the Contractor's benchmark projects to ensure the rates, overheads and margins submitted are consistent with the requirements of the Contract and reflects their standard business practices.

2.2 Workshops and Meetings

2.2.1 Context
Before exploring the details of any particular workshop or meeting, it is necessary to consider how these may need to be integrated for best use of resources and best overall results. For clarity, they have been described individually, however, a given project may require combined events and possibly need multiple occasions before satisfactory results are seen.

It is also important for those charged with administering the Contract to be involved in these activities. This has been proven to greatly enhance the ECI process and contribute to the working relationships that are critical to project success.

2.2.2 Relationship Management Workshop
Relationship Management Workshops are convened to facilitate good relationships and good communication between the parties.

The Principal and the Contractor must ensure their respective Relationship Management Team representatives attend a facilitated Relationship Management Workshop within 14 days after the Date of Acceptance of Tender. Workshops must be held at least once during each month of the Contract, with the proviso that special meetings may be convened at the request of either party.

During the initial workshop, the parties will develop a Relationship Management Plan that includes a relationship charter/mission and sets the relationship goals and objectives, core values and guiding principles which will be assessed and measured at the monthly meetings.

Principal, Designer and Constructor representatives must complete an "ECI Health Assessment Form" which scores how well the project is following the agreed principles; the results are then graphed. A copy of the score sheets and results are distributed and discussed at the workshop. An example of the Relationship Management Workshop templates can be found in the Contract Administration System Manual.

2.2.3 Design Workshop/Meeting
Design Workshops and/or Meetings are held to review and agree on the design direction so that Stage 2 Offer documents and construction (Early Works) can proceed. They are attended by the Principal,
Contractor and Designer and provide an opportunity for the Principal to inject ideas into the process, review and approve the direction of the design, and assure the objectives of the Brief are being met.

The Design Workshop/Meeting should be facilitated by an experienced facilitator outside the project. Their attendance and duration is dependent on the size and complexity of the project.

### 2.2.4 Risk Management Workshop

One or more facilitated Risk Management Workshops will be held during Stage 1. This is a component of developing the Stage 2 Offer.

Risk management is a process for evaluating the impact of risks and developing a strategy for minimising their effects. Holding various structured Risk Management Workshops enables the Principal to move towards greater certainty over business deliverables, and can help identify objectives and priorities. A systematic approach makes risks easier to manage and allocate, although good risk management is not confined only to reducing risk.

It would be extremely valuable for the Contract Administrator to be involved in the Risk Management Workshops, to be part of the decision-making and develop an understanding where risks lie; how these were determined and what did/did not form the basis of the Tenderer's price (maintenance of existing structure, traffic management, extent of works and allowance for down time due to other Contractors doing works, such as laying deck wearing surfacing on bridges.)

Objectives of a Risk Management Workshop include:

- Dealing with unforeseen circumstances;
- Minimising damage caused by identified problems;
- Identifying objectives and priorities;
- Identifying constraints on the project;
- Enabling more effective cost management; and
- Improving accountability.

The Risk Management Workshop should be facilitated by an experienced facilitator external to the project. The role of the risk management facilitator is not necessarily separate to that of the IE (they may be the same person). If an external facilitator is used, the IE still needs to be significantly involved in the workshops so that the Risk Register can be costed.

A Risk Register is to be developed during Stage 1. The Register records the nature, the likelihood and consequences, the agreed allocation and mitigation strategies of the risks. The facilitator is involved in the development of the Risk Register and allocation model. A Risk Register template can be found on the OnQ Project Management Framework intranet site.

The risk management facilitator will undertake risk modelling and provide input into risk mitigation strategies. They will also provide a Finalisation Report which includes the functions required under the Brief and incorporates any learnings that may be appropriate to the ECI process.

### 2.2.5 Value Management Workshop

Value Management Workshops are held as often as necessary during Stage 1 to identify high risk or high cost activities, such as earthworks, bridges or traffic management.

These workshops should be facilitated by an experienced facilitator external to the project. Where applicable, the Project Manager should engage existing Main Roads experts and conduct workshops to efficiently extract elements for value, insight and knowledge during this process.

**FOR MORE INFORMATION:**

*Contract Administration System Manual*

2.3 **Finalise Preliminary Design**

2.3.1 **Context**

The Contractor is required to prepare a Detailed Planning and Preliminary Design Report for the Principal's Representative.

2.3.2 **Process**

The Detailed Planning and Preliminary Design Report should include:

- The planning of the performance of the Works;
- The design and construction of the Works including, if possible, alternative materials;
- Reaching agreement with the Principal on the Risk Register;
- Undertaking site inspections and investigations; and
- Options and alternatives.

The report must incorporate all elements of design works which will require detailed designs.

2.4 **'Limit of Cost' Budget Check**

2.4.1 **Context**

If the Stage 2 Offer is likely to be accepted, there is the option to apply for the financial approval on a *limit of cost* basis prior to final agreement on Contract value. This approach helps to avoid delays and allows uninterrupted flow of Early Works.

2.4.2 **Process**

Once the Principal has undertaken an independent estimate review, including best value for money and budget comparisons, the Principal may ask for a number of scope and cost reviews until the Limit of Cost figure is reasonable. The Principal then submits this figure to Program Development & Performance Division for financial approval.

Financial approval and contract sign-off can occur almost simultaneously, with the contract proceeding into Stage 2 without delay.
2.5 Checklist – Preliminary Planning & Design

Contractor Auditing and Benchmarking

- Independent Estimator conducts audits on Contractor's Benchmark projects.
- Independent Estimator submits a report on the outcomes of the audit to the Principal's Representative.

Workshops and Meetings

Relationship Management Workshop

- Ensure both the Principal's and Contractor's representatives attend a facilitated Relationship Management Workshop within 14 days after the Date of Acceptance of Tender.
- Ensure Relationship Management Workshops are held at least once during each month of the Contract.

Design Workshop

- Key activities for the Design Workshop:
  - Explore opportunities, constraints and costs arising from the Brief;
  - Confirm understanding of the Brief;
  - Agree and confirm changes to the Brief;
  - Consider design options and develop concepts;
  - Define which risks are limited and high;
  - Prepare elemental costs;
  - Prepare concept scheme design; and
  - Apply for outline planning consent.

Risk Management Workshop

- The facilitator develops a Risk Register to record the nature and consequences of the risk.
- The facilitator submits a Finalisation Report.

Value Management Workshop

- Identify opportunities for saving cost and improving benefit delivery.

Finalise Preliminary Design

- The Contractor must submit the Detailed Planning and Preliminary Design Report for review by the Principal's Representative.

'Limit of Cost' Budget Check

- The Principal submits the Limit of Cost figure to Program Development & Performance Division for financial approval.
3 REQUEST STAGE 2 OFFER

3.1 Decide Project Direction

3.1.1 Context
On completion of the Detailed Planning and Preliminary Design Report, and once the Principal obtains all approvals and acquisition of necessary land, the Contractor can be requested to submit a Stage 2 Offer (including the RAP/RAMP) to complete the Works. The RAP/RAMP takes into account the risk apportionment negotiated during Stage 1.

If the land acquisitions and appropriate approvals are not in place, the Contract may be terminated without a Stage 2 Offer being sought.

3.1.2 Process
In deciding the future of the project, the Principal must consider the timing of the Stage 2 Offer. If not already in place, there must be a reasonable certainty that all approvals and land acquisitions will be completed within 14 days of the request for the Stage 2 Offer.

If this will not be the case, the Principal is accepting an enormous risk and this should be avoided under vast majority of circumstances.

Note that the RAP is subject to Rise & Fall from the date of the request for a Stage 2 Offer. If the process is delayed due to issues under the control of the Principal, such as funding, land acquisition or scope definition, there could be serious financial implications.

If none of these issues exist, and all approvals and so on are in place, the project can be progressed.

3.2 Notify Contractor

3.2.1 Context
Once the future of the project has been decided, the Principal must notify the Contractor of the outcome. Due to the strength of the relationship that should exist at this stage of the ECI process, it would be unlikely that any of the parties would be surprised at the decision made.

Consideration should always be given to the possible impact of the decision when deciding how it should be communicated.

3.2.2 Process
In the majority of cases, it is likely that the project will proceed. If so, the Principal advises the Contractor through a "Request for Stage 2 Offer".

Should the project not proceed, the Principal must notify the Contractor in writing, of that decision. It is the Principal's responsibility to convey sufficient reasoning for the decision while ensuring that an appropriate level of confidentiality is maintained.
3.3 **Checklist – Request Stage 2 Offer**

**Decide Project Direction**
- Ensure the Principal has arranged all necessary approvals and land acquisition within 14 days of requesting a Stage 2 Offer from the Contractor.
- Confirm there are no other problems to the project proceeding as planned.
- Decide whether or not the project will proceed.

**Notify Contractor**
- Advise the Contractor, in writing, that the Stage 2 Offer is being requested or that the project is to be terminated.
4 DEVELOP STAGE 2 OFFER

4.1 Prepare Stage 2 Offer

4.1.1 Context

Within 14 days of being requested by the Principal, the Contractor must submit an offer for the completion of the design, documentation and construction of the Works and any other work under the Contract to be completed at that time.

4.1.2 Process

4.1.2.1 The RAP Option

The Contractor's Stage 2 Offer must include sufficient information to enable evaluation of its detailed design. The RAP is determined once the design is sufficiently advanced (typically approximately 70% of design and 30% of detailing complete).

The RAP will be developed on an open book basis, checked by facilitated Risk Management Workshops and agreed to by the Principal. The methods of payment for the RAP can be a lump sum, a schedule of rates with provisional sums, or a combination of both.

The Contract requires that in developing the RAP, sub-contracts, materials and items of major plant be priced under competitive arrangements.

The RAP includes allowance for:

- Detailed design;
- Documenting the project works;
- Constructing the project works;
- Provision of all materials, labour, plant and equipment;
- The risk allocation negotiated and agreed during Stage 1. This will depend upon the level of investigations during Stage 1 (for example, geotechnical investigation or level of design) and is dependent upon the risk profile of the Stage 2 Works; and
- Everything else necessary for the execution and completion of the project works and the Contractor's obligations under the Contract.

4.1.2.2 The RAMP Option

The ECI Contract also provides for the possibility of a Risk Adjusted Maximum Price (RAMP), with savings shared, from components of, or from all of, the Stage 2 documentation and construction of the Works, rather than a lump sum. This is achieved by including as a Schedule to the General Conditions of Contract, provisions that only come into effect if the parties agree on a RAMP for the work or for parts of it.

Work or items that are subject to a RAMP are performed as Daywork on an open book basis. The Contractor is paid its actual costs plus an agreed amount for profit and overheads, similar to the typical treatment of provisional sum work or items. The primary difference is a "Maximum Price". This is a limit to the amount payable by the Principal for the relevant "Maximum Price" work or item, and the Principal and the Contractor may share in the savings where less than the "Maximum Price" is spent.

In the development of a RAMP, the Designer will ideally be in a position to start delivery of documentation to allow the Contractor to undertake pricing; however, relevant items may emerge during the design process which can be priced and negotiated with the Principal progressively.
The General Conditions of Contract also usually include clauses setting down the Contract requirements for the insurance policies to be provided by the Contractor with respect to each of the classes of risk. The four associated policies are generally known as Insurance of the Works, Professional Indemnity Insurance, Public Liability Insurance and Employer's Liability Insurance.

FOR MORE INFORMATION:
Appendix C – Example General Conditions of Contract and Schedules

4.2 Deliver Early Works (if required) – Contractor Obligations

4.2.1 Context
The Contractor may propose Early Works Packages which may be accepted or rejected by the Principal.

During Stage 1, the Contractor is required to provide services for the design, documentation and pricing of the Works. Early Works include, but are not limited to, noise barriers, service relocations, procurement of major bridge and drainage components, and provision of all construction permits.

4.2.2 Process
If the Principal accepts a proposal to or directs the Contractor to manage Early Works Packages, the Contractor must:

- Modify the Program to the reasonable satisfaction of the Principal;
- Undertake design, documentation and construction work as required; and
- Provide any contract securities, insurance and contract plans.

4.3 Deliver Early Works (if required) – Principal Obligations

4.3.1 Context
The Principal may direct the Contractor to manage Early Works Packages.

4.3.2 Process
The Principal provides all relevant documentation prior to the commencement of Stage 1, which will include but not be limited to:

- Bridge designs;
- Geotechnical reports;
- Environmental reports;
- Hydraulic report;
- Existing bridge plans;
- Cultural heritage report;
- Consultation report;
- Concept drawings; and
• Some detailed design.

4.4 Prepare for Kick-off Activities

4.4.1 Context

The Contractor begins preparing a Contract Plan which documents the systems, procedures and plans required under the Contract.

4.4.2 Process

The following management plans should be included in the Contract Plan:

• Design and Construction Plan;
• Traffic Management Plan (if required);
• Quality Plan;
• Environmental Management Plan;
• Industrial Relations Plan;
• Construction Workplace Plan;
• Relationship Management Plan;
• Community Liaison Plan (if required); and
• Skill Development Plan. (For contracts over $100M there is a government requirement for this to be included in the Contract Plan.)
4.5 Checklist – Develop Stage 2 Offer

Prepare Stage 2 Offer

- The Contractor completes the Detailed Planning and Preliminary Design Report.
- The Contractor prepares construction documentation in accordance with the approved Detailed Planning and Preliminary Design Report.
- The Contractor submits Stage 2 Offer.

Deliver Early Works (if required) – Contractor Obligations

- If Early Works are accepted, the Principal must ensure the Contractor undertakes appropriate modifications to the Program as required.

Deliver Early Works (if required) – Principal Obligations

- Provide all relevant supporting documentation for the Early Works Packages.

Prepare for Kick-off Activities

- The Contractor begins preparing the Contract Plan.
5 STAGE 2 OFFER CONSIDERATION

5.1 Check Approvals Status

5.1.1 Context
As previously detailed during the Tender and Design processes, there are approvals, permits and so on which must be arranged prior to the commencement of Stage 2.

5.1.2 Process
In considering the Stage 2 Offer, a check must be made to ensure the required items have been put in place. While this may not in fact be a major activity, it is quite critical in terms of statutory requirements.

5.2 Agree Stage 2 Recommendation

5.2.1 Context
All work will cease until Stage 2 is accepted, unless the Principal's Representative directs otherwise.

5.2.2 Process
The Contractor forwards the Stage 2 Offer and proposed changes to be included in a Deed of Variation to the Principal who considers the Contractor's negotiated price and proposed contractual changes.

The Stage 2 Offer is only accepted on the basis of agreement on:

- Modifications to the General Conditions of Contract;
- Modifications to the Brief; and
- The RAP/RAMP documents.

All modifications must reflect the intent of Stage 1, in keeping with the Stage 2 Offer requirements detailed in the General Conditions of Contract.
5.3 Checklist – Stage 2 Offer Consideration

Check Approvals Status

☐ Ensure the Contractor has arranged for all required permits and approvals, and has provided a copy to the Principal's Representative.

Agree Stage 2 Recommendation

☐ Ensure the Stage 2 Offer and any proposed changes for inclusion in the Deed of Variation have been received.

☐ Verify the Offer complies with the requirements detailed in the General Conditions of Contract.
6 EFFECT STAGE 2 CONTRACT VARIATION (OPTION 1)

6.1 Submit Contract Variation

6.1.1 Context
In the event of the Stage 2 Offer being accepted, the General Conditions of Contract and Brief are amended as necessary by a Deed of Variation.

6.1.2 Process
The Deed of Variation details the proposed amendments to the General Conditions of Contract and the Brief as a result of the Stage 2 Offer. The details listed in the Deed of Variation must be agreed by both parties. The following details must be included in the Deed of Variation:

- Contract amount (including GST);
- Contract duration; and/or
- Due Date for Practical Completion.

The Deed of Variation is to be sent to Contracts & Standards Branch for execution. The Deed of Variation is prepared in triplicate. Within 14 days of receiving the Deed of Variation, the Principal must distribute one copy to the Contractor, one copy to the District Office and one copy for retention in Contracts & Standards Branch (with the Formal Instrument of Agreement).

FOR MORE INFORMATION:
Appendix E – Example Standard Forms and Letters

6.2 Notify Contractor

6.2.1 Context
The relevant elements of the tender and tender documents, including any terms and conditions negotiated and agreed to by both parties, must be clearly and accurately specified in the Contract. It is noted that this phase of the process is to settle all outstanding technical, commercial and/or legal issues necessary for finalisation of the Contract. It is not an opportunity for either party to vary the final contract price or to materially alter the proposal.

6.2.2 Process
A Notice of Acceptance of Stage 2 Offer letter is sent from Contracts & Standards Branch to the Contractor, advising the Principal has accepted their offer.

The Date of Commencement of Stage 2 is listed in the Notice of Acceptance.

The Date for Practical Completion is also listed in accordance with the amended General Conditions of Contract.

Attached to the Notice of Acceptance is Form C6872 – Requirements to be Executed by the Contractor. This Form lists when Securities, Insurances and Plans are to be submitted.
Details of Possession of Site and the Deed of Variation will be sent under separate cover by the Principal’s Representative.

FOR MORE INFORMATION:

Appendix E – Example Standard Forms and Letters
6.3 Checklist – Effect Stage 2 Contract Variation (Option 1)

Submit Contract Variation

- Ensure the Deed of Variation is agreed by both parties, made in triplicate and distributed within 14 days to the Contractor for execution.
- Ensure Contracts & Standards Branch has been informed of the Contract amount (including GST) and duration and/or Due Date for Practical Completion.

Notify Contractor

- Contracts & Standards Branch to issue Notice of Acceptance of Stage 2 Offer with Form C6872 to the Contractor.
- Details of Possession of Site and Deed of Variation to be sent by Principal's Representative.
7 TERMINATE FOR CONVENIENCE (OPTION 2)

7.1 Notify Contractor

7.1.1 Context
The Contract may be terminated during Stage 1 for reasons including, but not limited to:

- Frustration/default;
- Project approvals not in place;
- At the Principal’s absolute discretion; and
- No agreement on the Stage 2 Offer.

The Principal also has the ability to terminate the Contract if it believes the RAP does not represent Value for Money.

7.1.2 Process
The Principal’s Representative sends a letter to the Contractor stating the reasons and conditions for rejecting their Stage 2 Offer and terminating the Contract.

7.2 Record Decision-making Process

7.2.1 Context
The reasons for rejecting the Contractor’s Stage 2 Offer and terminating the Contract must be recorded in writing.

7.2.2 Process
It would be a drastic decision for the Principal to terminate the Contract at this point in the project, and one that would only be made if it was really not in the best interest of the project to continue.

Due to the brevity of this decision, it is essential that accurate written records justifying the decision are kept to substantiate potential scrutiny. It is recommended that these records are completed as soon as possible after the decision is made.

7.3 Arrange Design 'Completion'

7.3.1 Context
In order to complete the design, Main Roads can either brief:

- The current Designer to finish the design; or
• Another Designer to finish the design.

7.3.2 Process

If Main Roads decides to use the current Designer to finish the design, a Deed of Novation and Brief to Finish Design must be completed.

If Main Roads decides to brief another Designer to finish the design, the procedures outlined in the "Engagement and Use of Pre-Qualified Consultants on Engineering Projects" manual must be followed.

FOR MORE INFORMATION:
Manual for the Engagement and Use of Pre-Qualified Consultants on Engineering Projects

7.4 Proceed with 'Construct-only' Contract

7.4.1 Context

The Principal retains complete ownership of the intellectual property rights of the design and is able to take the project works to the market as a construct-only contract to obtain a new Contractor. The terminated Contractor will not be invited to tender.

7.4.2 Process

Please refer to Main Roads Project Delivery System – Volume 2 for the process to develop a construct-only contract.

FOR MORE INFORMATION:
MRPDS Volume 2 – Tendering for Major Works
7.5 Checklist – Terminate for Convenience (Option 2)

Notify Contractor

☑ The Principal's Representative sends a letter to the Contractor advising of reasons and conditions for termination.

Record Decision-making Process

☑ The Principal's Representative ensures written records are kept, justifying the decision to terminate the Contract.

Arrange Design 'Completion'

☑ Ensure a Brief to Finish Design is completed.
☑ Complete a Deed of Novation if using the current Designer.
☑ If engaging another Designer, ensure the processes outlined in the *Manual for the Engagement and Use of Pre-Qualified Consultants on Engineering Projects* are followed.

Proceed with 'Construct-only' Contract

☑ Ensure all processes are followed for a construct-only contract.