

# Shaw Stone & Webster, E&C Presentation to ECRI

## Conversion from OBE to Lump Sum - Pitfalls and Issues

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**2008**

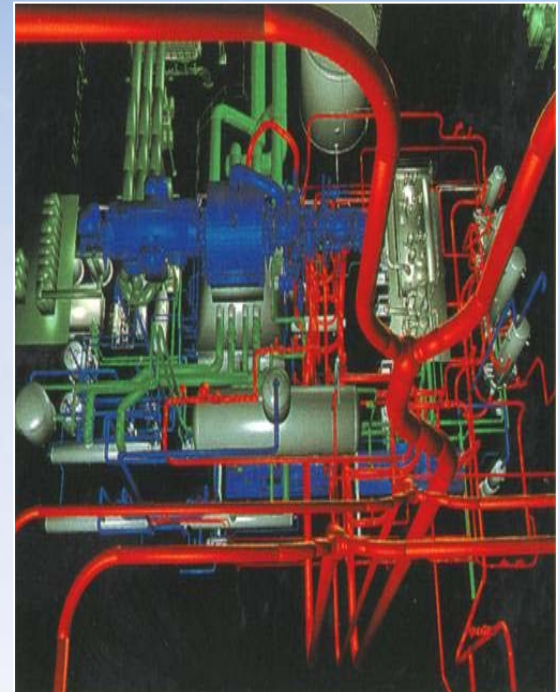
# Perceived CLSTK Advantages

- Reduced Cost
- Increased Schedule
- Improved Alignment
- Early Procurement Cycle
- Value Engineering



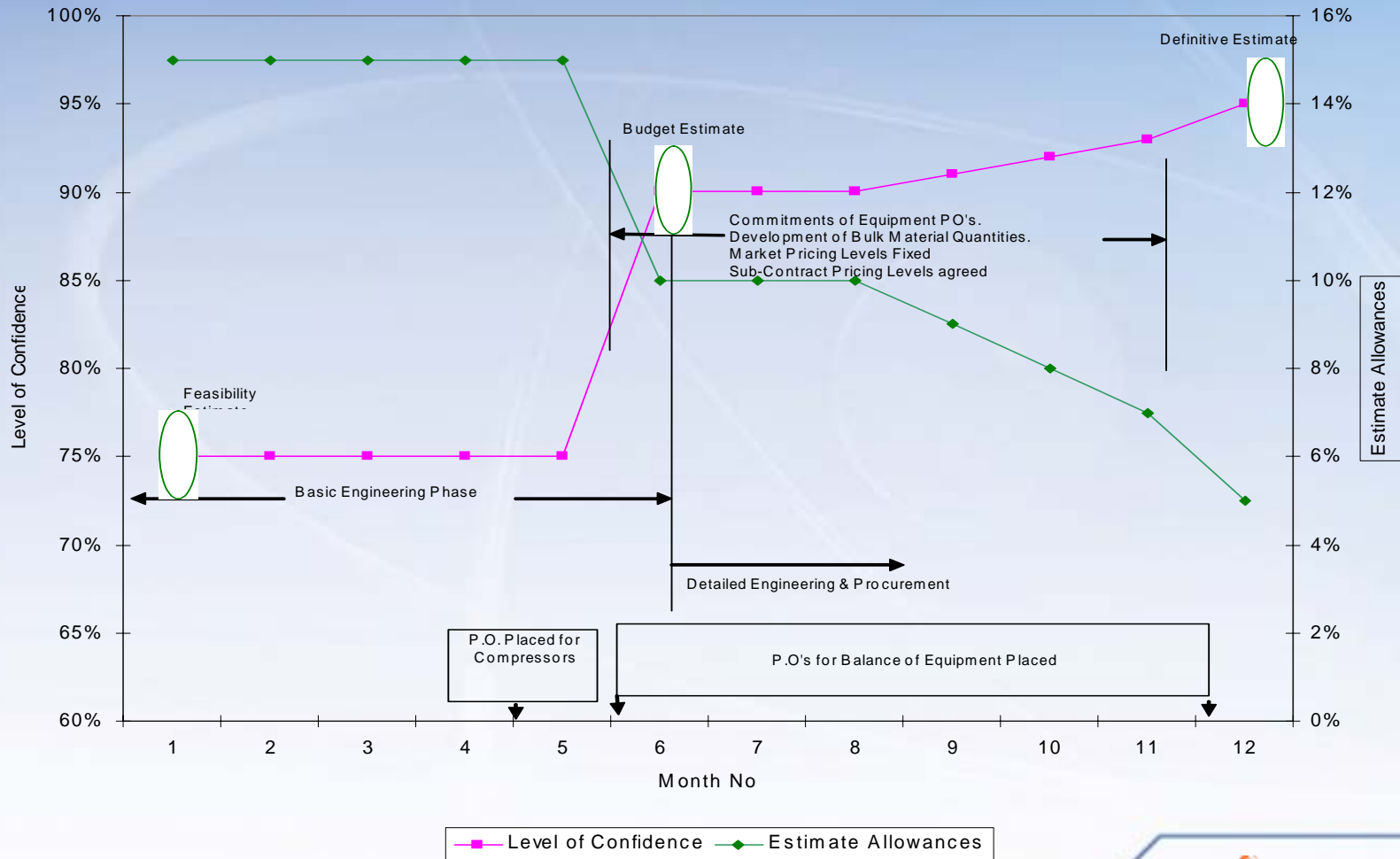
# Contract Types

- Converted LSTK (Pure Open Book)
- Converted LSTK (Fixed contingency/allowances)
- Adjusted LSTK
- Conversion Services (LS or Reimbursable)



# Conversion Timing

Estimating Confidence Levels



# Why Convert?

- Risk Management (Transfer)
- Financing Requirement
- “One Stop” Contractor
- Schedule



# Why Not Convert?

- Non Alignment/Agreement of Open Book Estimate
  - MTO's
  - Allowances
  - Contingency
- Balance Book Funded
- Lack of Comparison
- Different Perceptions of Risk
- Conversion Fee

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**QUESTIONS?**