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Shaw Stone & Webster, E&C Presentation to ECRI

Conversion from OBE to Lump Sum - Pitfalls and Issues

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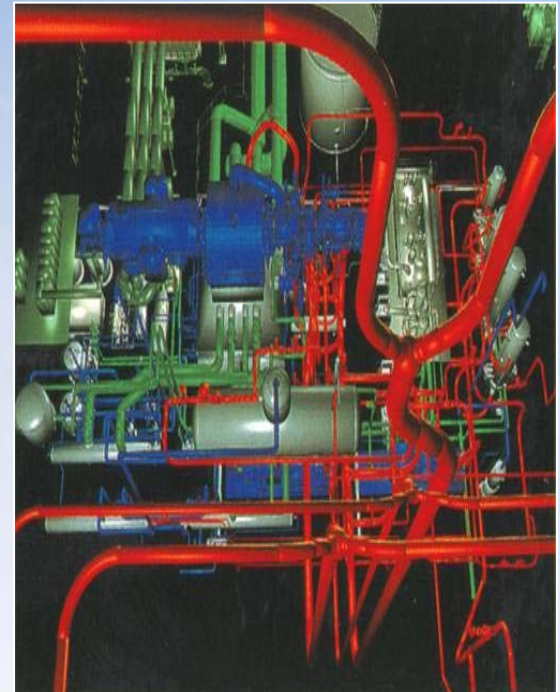
Perceived CLSTK Advantages

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



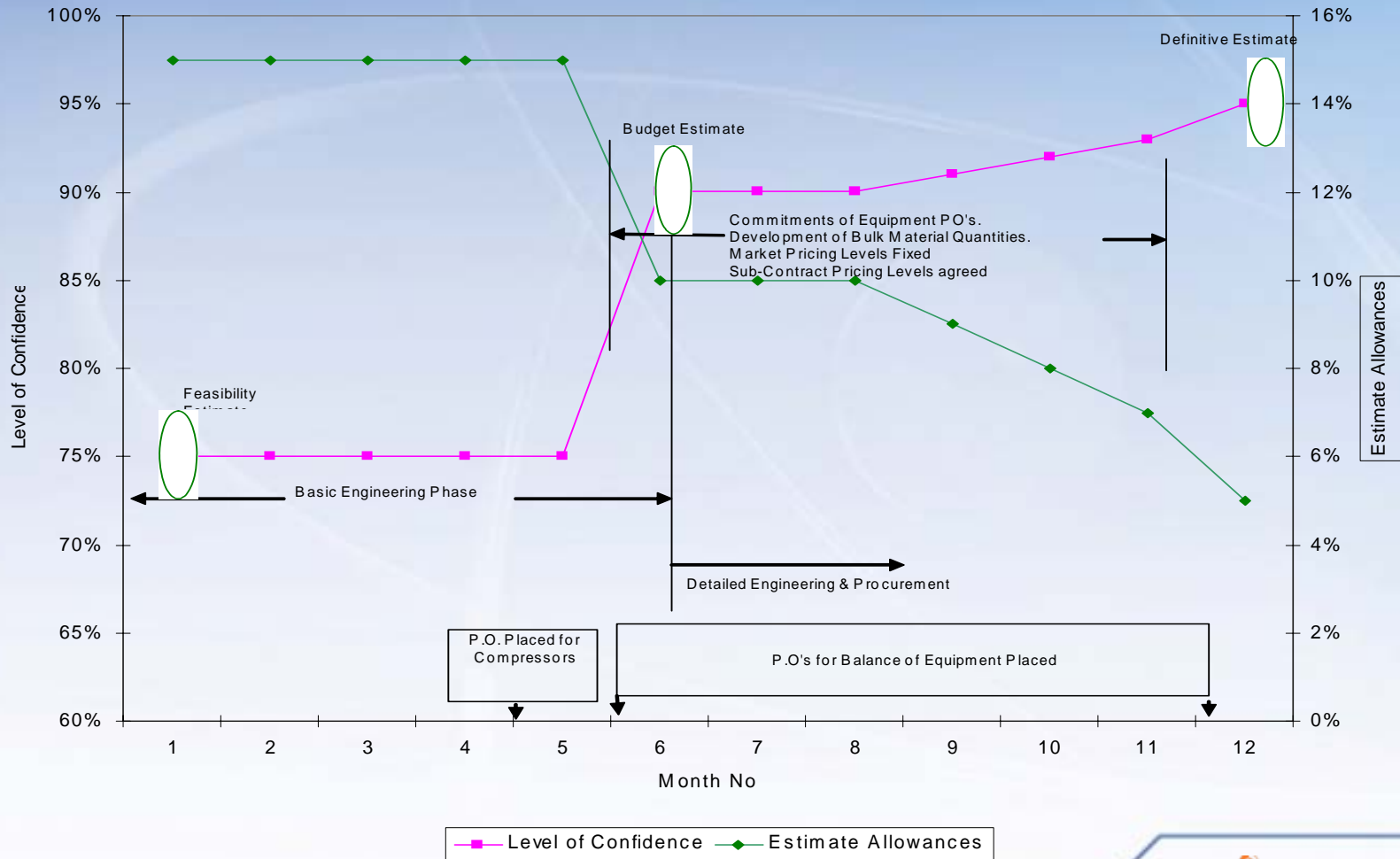
Contract Types

- 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?