

Achieving Predictable Project Costs in an Unpredictable World

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A Contractor's View of Lump Sum
Contracts

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38TH ECC
CONFERENCE

THRIVING TODAY & TOMORROW



Contractor's View of LS Contracts

- **Current EPC market factors:**
 - Material & equipment supply / delivery / price
 - Craft labor availability / cost
 - Professional staff availability / cost
- **Owner influences:**
 - Lack of firm scope
 - Decision process
- **Bid costs**
- **Contingency build-up**

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Questions

- What risk should the Contractor take – risk allocation?
- How much contingency to be included for risks – the price of predictability?
- What other contracting strategies can provide predictability?

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