

EARLY CONTRACTOR INVOLVEMENT

Early contractor involvement (ECI) is an approach to contracting that supports improved team working, innovation and planning to deliver value for money. It involves an integrated contractor and designer team, appointed under an incentivised, two-stage contract.

Key stages

Stage 1 involves design development and construction planning, which is aimed at meeting our objectives and which leads to the agreement of a target price. Stage 2 covers the period of detailed design and construction.

Why will HS2 use ECI?

ECI is well suited to large and complex contracts because it allows an integrated team to gain a good understanding of the requirements, develop innovative solutions, plan and mobilise resources, and manage risks to accelerate delivery and reduce costs.

The proposal to use ECI received overwhelming support from the market during our engagement process. In line with recognised best practice, we will use ECI for our civil engineering contracts, and will also look for feasible and appropriate opportunities to use it for other contracts.

How does ECI improve value for money?

- It integrates design development and construction planning at an early stage. This allows the contractor, designer and key supply chain to develop innovative solutions.
- It provides more time for planning and the preparation of the construction programme. For example, Stage 1 allows time to understand and plan for critical events, such as rail possessions and utilities diversions. It also ensures that an agreed NEC3 contractual programme is in place for the start of the construction stage.
- It enables companies to plan for the recruitment, training and retention of personnel needed during the construction stage; appoint key supply chain partners; and source long-lead items.
- It provides greater opportunities for the integrated team to support stakeholder management, and to improve the management of risk and health and safety planning during the planning stage.



“ECI is a straightforward approach – it integrates design development and construction planning”

How does it work?

Before the ECI contract award

Prior to issuing invitations to tender, we will prepare the specification and develop the design sufficiently to clearly set out the contract requirements and establish the contract budget. Some elements of design may need to be reasonably mature in order to gain consents and confidence in the pre-tender budget estimates.

Tenderers will be required to submit their delivery proposals, but the tender process will not require any design development. The competition stage will focus on technical and commercial criteria – the main aim is to award the contract to the best team with the necessary skills and appropriate collaborative culture to deliver value for money. As part of this, we want to see innovation, including innovation in collaboration with the supply chain. The commercial submission should establish the Stage 1 price and the fees and pricing mechanism for Stage 2.

After the ECI contract award

Stage 1: design development and construction planning

The ECI contractor team's role in Stage 1 is to:

- provide the expertise to take ownership of, develop and optimise the design, aligned with our objectives (including buildability);
- commence construction planning, including identifying opportunities for off-site manufacturing and supply chain engagement (as appropriate); and
- develop the target price.

Stage 1 will normally last 8 to 12 months – enough time to develop innovative solutions and efficiency ideas. Progression to ECI Stage 2 will depend on satisfactory performance during Stage 1, including the development of a cost-effective solution, the agreement of a construction programme and an affordable target price for construction. We will develop a mechanism whereby, if a contractor is not performing in Stage 1, we will be able to re-procure quickly and effectively.

Stage 2: detailed design and construction

The ECI contractor's role in Stage 2 is to take responsibility for and complete the detailed design; and construct the works.

Incentivising the ECI contractor

During Stage 1, we will pay for the design and construction methodology to be developed by the ECI contractor's team. During Stage 2, the ECI contractor will be paid actual costs for the construction works, plus a fee, and will be incentivised against the agreed target price. We are developing further contract incentives that will:

- link to our works package budget and other objectives;
- maximise rewards where design and construction innovation and risk mitigation are developed in Stage 1, then delivered as planned in Stage 2;
- reward clusters of suppliers for working together to minimise overall cost – for example, in managing interface risks; and
- reward wider collaboration across the entire Phase One project.



“ECI improves value for money, enabling contractors to plan for recruitment, training and retention of personnel”

ECI – KEY STAGES

