

Letter of Intent & Interim Agreement

It is our intention to award the contract for the construction of the {project name} at {street address} to you. In addition, we wish to have you start work prior to the finalization of contract documents and final project pricing.

You are hereby directed to proceed on the following work immediately, all in accordance with the building permit drawings dated {drawing dates} and the Specifications dated {specification date} as prepared by {architect and/or designer name} and the terms and conditions of the unmodified CCDC-2-2008.

Under no circumstances shall you undertake any work nor make any commitments such that the total value of the work performed or commitments made pursuant to the instructions contained in this letter is greater than {maximum amount}, excluding GST.

The scope of work to be undertaken pursuant to this letter is:

- Acquisition of necessary permits and insurances other than those arranged by {owner name} sufficient to enable the start of work;
- Installation of temporary construction services;
- Mobilization and installation of temporary construction offices;
- Site layout and survey including establishment of project bench marks as required;
- Pile installation;
- Rough Grading to underside of void form;
- Foundation formwork;
- Site services - mechanical and electrical

Note that {contractor name} shall selectively initiate work on the above list to ensure that critical activities are performed first and maximum utilization is made of the initial funds available.

Applications for payment for the work shall be submitted and will be processed in the manner contemplated in the standard CCDC 2 contract document

In addition you are directed to issue letters of intent to trade contractors in the same form as this letter, amended to refer to the appropriate CCA trade contractor document, if necessary to maintain the project budget and schedule. Prior to issuance of any such letters of intent you must advise {owner name} and obtain specific permission for each such commitment. In any such letter of intent to a trade contractor you must state that {owner name} and {contractor name} are conducting negotiations and if such negotiations should fail, the trade contractor must be willing to have its interim agreement assigned directly to {owner name} without any change in terms.

In the event that negotiations between {owner name} and {contractor name} should conclude without a final agreement being reached, {owner name} will reimburse {contractor name} for all its costs of the work performed, calculated in accordance with the Change Directive clause

6.3.7 in the CCDC 2 agreement that deals with the cost of performing work as well as an allowance for offsite overhead and profit. In addition, **{owner name}** will indemnify **{contractor name}** for any liability incurred by **{contractor name}** pursuant to issuance of approved letters of intent to any trade contractor.

At any time, **{owner name}** may direct that work shall stop on the project and, in that case, **{contractor name}** will secure the work site, ensure that site safety is adequate and leave the project.

This letter will form an interim agreement between **{contractor name}** and **{owner name}** until such time as the ongoing negotiations have concluded with either a formal CCDC-2 contract being executed or an agreement that the parties will discontinue working together on the project. This letter will be the entire agreement between the parties during the interim period and any changes to the terms herein shall be in writing. You should not accept any instructions from any person other than **{authorized person name}** who will be acting as the owner's representative until the formal documentation has been completed and executed.

Yours Truly

{legal owner name}

Per: _____

c/s

Agreed to all terms and conditions above on this ____ day of **{month and year}**.

{legal contractor name}

Per: _____

c/s