

Date: 10 March 2023
File ref.: CPB-1005-LET-0038



Worley Services Pty Ltd
Craig Ramm
Engineer Representative
Level 1 93-95 William Street
Perth WA 6000

Attention: Mr Craig Ramm

Dear Sir,

CONTRACT NO. WR/C/CC/1005
WESTERN RANGE PROJECT – MAIN INFRASTRUCTURE BULK EARTHWORKS
RE: CONTRACTORS RESPONSE TO LETTER 1005-0018 – TUNNEL SUPPLY

The Contractor refers to Engineer Letter 1005-0018 received 10 March 2023 regarding Tunnel supply.

For clarity, the Contractor advises the procurement of the Tunnels is currently On Hold awaiting further clarification and Direction from the Engineer. This has the potential to cause further impacts to the Programme until these issues have been resolved.

The Contractor urgently requests clarification and Direction from the Engineer regarding the following Items, all of which have been previously requested:

1. Confirm when an order will be placed with RECO to enable them to finalise the Design of the Tunnels.
2. Confirm if the Contractor is to place an order with RECO (for either: Tunnel 2 alone, or for all three (3) Tunnels) prior to this Design being finalised
3. Confirm the prioritisation of the Tunnel fabrication (2 - 3 -1).
4. Confirm whether the Contractor should contact Humes regarding procurement of Tunnels 1 and 3 only – the Contractor re-iterates to the Engineer the risk that this action may cause Humes to “walk away”, leaving the Engineer with no alternative options for the Tunnel supply other than RECO.

The Contractor provides further details below for each of the Options presently available, and the mitigation measures that the Contractor is able to take to assist the Engineer to provide further Direction.

OPTION 1 – RECO

The Contractor is currently unable to progress any further with this Option until the Engineer provides clarification and Direction on **Items 1 to 3** above.

The Contractor had previously advised the Engineer that a commitment on RECO was required by 03 March 2023 (refer Letter CPB-1005-LET-0026). Notwithstanding, the Contractor has contacted RECO

and requested confirmation from them regarding their Programme. The Contractor awaits their response.

Additionally, the Contractor has confirmed with RECO that their preliminary pricing proposal is valid for Tunnel 2 alone. As such, the Contractor would be able to proceed with an order with RECO for Tunnel 2 alone, if Directed so by the Engineer.

OPTION 2 – HUMES – All Three Tunnels:

Presently, the Contractor is unable to provide any certainty on Humes' Programme. In Humes latest correspondence they advised they required "*direction today (07-March-2023) as to whether we will be moving the 18600 from Townsville to Darwin*" in order to maintain their draft Programme.

The Contractor was further advised, verbally, that such a direction could be issued as late as 10 March 2023. However, the Contractor has had no further contact with Humes since 07 March 2023, and the Contractor is unable to do so until Direction is provided by the Engineer regarding **Item 4** above.

OPTION 3 – HUMES for Tunnel 1 and 3 Only:

Notwithstanding the above, the critical item from Humes appears to be "*moving the 18600 from Townsville to Darwin*". which is obviously not a concern if Humes are no longer considered for Tunnel 2. As such, there may be more time available to the Engineer to explore the Option of Humes providing Tunnel 1 and 3 only.

However, for the Contractor to explore this Option further, a Direction is required from the Engineer regarding **Item 4** above.

The Contractor remains committed to mitigating this Delay as far as practicable and awaits response from the Engineer.

The Contractor reserves all its rights under the Contract and at law.

CPB Contractors Pty Ltd

pp **Richard Walford**
Contractor's Representative