

Date: 9 August 2023
File ref.: CPB-1005-LET-0216



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
Clause 9.2(b) Statement of potential Variation; Clause 56.2(c)(i) Delay Event Update
RE: VAR-0098/NOD-0098: Additional Testing of Borrow Pit Material – Variation Update

In accordance with Clause 9.2(b) of the General Conditions of the Contract and further to initial notice provided to the Engineer, the Contractor hereby submits a statement to the Engineer:

1. setting out the reasons why the Contractor believes that there is a Variation; and
2. advising of its opinion of the impact of the claimed Variation on the Contract Price and the Completion Date (if any).

The Contractor refers to the following documents and correspondence:

1. Letter reference CPB-1005-LET-0195, from the Contractor titled “VAR-0098/NOD-0098: Additional testing of borrow pit material”, dated 12 July 2023.
2. Technical Specification for Earthworks, Roadworks and Drainage (Document Number WR-SPE-Y-0001, Revision 3).
3. Aconex Correspondence CPB Con-RNONC-000004, from the Contractor titled Re: BSA04 Material Mismanagement, issued 14 July 2023.

1. DETAILS

As detailed within the initial notice provided to the Engineer on 12 July 2023 (refer *Letter CPB-1005-LET-0195*) the Contractor is currently undertaking significantly more material testing at the request of the Engineer on Site. These requests are beyond the requirements of the Technical Specification for Earthworks, Roadworks and Drainage (refer WR-SPE-Y-0001, Section 12.7 Minimum Testing Requirements). The ongoing discussions between the Contractor and Engineer with regards to BSA04N are acknowledged, however the Contractor highlights that the Engineer’s testing shows the Borrow Pit have been incorrectly classified (refer CPB Con-RNONC-000004).

The Contractor currently anticipates that the testing that has been and will be undertaken, to be at least 3 times its allowance and its requirements at Contract award.

The Contractor is proceeding with Works as Directed and as ongoing requests are being made (refer **Attachment 1**), as efficiently as possible to mitigate any further delays. Additional geotechnical technicians have been mobilised to Site to progress the increased testing workload to further mitigate resultant delays associated with the additional testing.

2. IMPACT OF CLAIMED VARIATION ON CONTRACT PRICE

In consideration of the current progression and requests to date, it is estimated that the required testing of the Engineer will result in approximately 3 times the allowed borrow pit testing (PSD, PI, CBR etc), which was based upon the requirements of the Technical Specification for Earthworks, Roadworks and Drainage (refer *WR-SPE-Y-0001*, Section 12.7 Minimum Testing Requirements).

The Contractor estimates that the impact to the Contract Price will be approximately **\$150,000.00 ex GST** as a result of additional testing but notes that the final impact will be dependant upon the ongoing requests for the additional testing.

The Contractor will provide an update to the estimated costs to the Engineer, following when it is able to fully quantify these costs. Upon which the Contractor will request the Engineer to assess the Variation and issue a determination to confirm the Direction and value accordingly in accordance with Clause 9.3 of the Contract.

3. IMPACT OF VARIATION ON COMPLETION DATES

Due to the ongoing impacts and nature of the claimed Variation, the Contractor is currently prevented and unable to quantify the impacts of the claimed Variation. The Contractor will further provide the Engineer with the required Contract notices and updates in accordance with Clause 56.2.

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

Yours sincerely

CPB Contractors Pty Ltd



Richard Walford
Contractor's Representative