

Date: 14 August 2023
File ref.: CPB-1005-LET-0235



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 Notice of potential Variation; Clause 56.2(a) Notice of anticipated delay
RE: VAR-0110/NOD-0110: Spacing Between Multi-Barrell CSPs

In accordance with the General Conditions of the Contract, the Contractor notifies the Engineer that the Contractor:

1. reasonably believes a Variation to the Works has occurred in the absence of a Direction by the Engineer (with reference to Clause 9.2).
2. is of the opinion a potential delay to the Completion of the Works and/or Milestones has occurred (with reference to Clause 56.2 and Delay Event Clause 56.1(f))

and hereby submits a statement to the Engineer (with reference to Clause 9.2(b)):

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).

As part of this notification the Contractor refers to the following documents:

1. Technical Query TQ#161 Response WRMI-TQ-CPB-00161, titled “Insufficient Spacings Between Multi Barrel CSPs”, received from the Engineer 11 July 2023 via Aconex correspondence WR-RESTECHQ-001017.
2. HSE Incident Report Form, dated 13 July 2023, as issued to the Engineer 17 July 2023.

1. DETAILS

On 26 June 2023 the Contractor issued TQ#161 regarding the spacing between multi-barrel Corrugated Steel Pipes (CSPs). The Contractor sought to increase the spacing to 300mm between CSPs greater than 900mm in diameter. This was due to the difficulty of installation of CSPs with diameter greater than 900mm requiring joining bands, bolting from either side of the pipe and the limited spacing between CSPs. This request was also based on review of previous projects where this was found to be acceptable for construction.

The Engineer provided response to TQ#161 on 11 July 2023 (refer **Attachment 1**) rejecting the Contractor’s request and noting that the detail is a standard typical detail that has been used for over 10 years on Rio projects and provided additional guidance for installation.

The Contractor continued with the installation of the CSPs as advised following the TQ response.

As an action from the HSE Incident Report on 13 July 2023 (refer **Attachment 2**), the Contractor has identified that this is a safety-in-design issue with insufficient space between multi barrel CSPs to allow the safe installation of larger diameter CSPs. To ensure personnel are not being exposed to an unacceptable level of risk and after consultation with the workforce, spacing between the larger diameter culverts are to be increased from 200mm to 300mm to minimise this safety-in-design risk.

The Contractor has further reviewed the methodology guidance noted within TQ#161 Response and notes that:

1. The Contractor further understands that for some of the previous projects cited in the TQ response, that there was acceptance by the then design manager to increase the spacing between CSPs to 300mm where the barrel length was greater than 1 pipe (i.e. where a join was involved).
2. The proposed methodology from the Engineer to shuffle bands, raises additional manual handling hazards, i.e. requirement to overextend from an awkward and vulnerable position to reach over pipes to shuffle band along the corrugated pipe whilst still requiring someone to get between pipes to tighten bolts.
3. Although still a challenge the Contractor considers the CSPs can be installed safely up to a diameter of 1200mm. Multiple barrel CSPs greater than 1200mm will require spacing increase from 200mm to 300mm.

The increase in spacing between the multi-length CSPs will result in additional efforts for installation and is anticipated to impact the Contract Price and Programme and the Contractor considers this a Variation to the Contract.

2. NOTICE OF VARIATION

In its opinion the Contractor considers the impact of the claimed Variation on the Contractor Price is approximately **~\$159,721.77 ex GST**, as set out within **Appendix 3 Cost Breakdown**. These costs are due to additional works that will involve widening the trenches and installation of remaining CSPs 1200mm or greater in diameter. The allowance for remaining 1200mm diameter multiple barrel CSPs has been made within the estimate, as the Contractor may need to revert to increasing the spacing for safety reasons as explained above.

In accordance with Clause 9.2 the Contractor requests the Engineer to assess the Variation and issue a Variation document.

3. DELAY NOTICE

The Contractor anticipates that that this will result in an additional 5 days of works for the remaining multiple barrel length CSPs. The Contractor will prepare and submit an extension of time claim accordingly as per Clause 56.2.

4. MITIGATION

The Contractor shall continue to liaise closely with the Engineer to minimise the potential impact of this change and is proceeding with these works to mitigate against potential delay, whilst awaiting formal Direction.

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

Yours sincerely

CPB Contractors Pty Ltd



Richard Walford

Contractor's Representative

Attachment 1 – Technical Query TQ#161 Response WRMI-TQ-CPB-00161, titled “Insufficient Spacings Between Multi Barrel CSPs”, received from the Engineer 11 July 2023 via Aconex correspondence WR-RESTECHQ-001017.

Attachment 2 – HSE Incident Report Form, dated 13 July 2023, as issued to the Engineer 17 July 2023.

Attachment 3 – VAR-0110 Cost Breakdown, dated 14 August 2023.