

Date: 6 November 2023

File ref.: CPB-1005-LET-0341



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: VARIATION 185: INCREASE IN OPERATIVES HOURLY RATES**

The Contractor refers to the above Contract. Capitalised words within this correspondence have the same meaning as in the Contract.

#### **Notice of Variation**

The Contractor notifies the Engineer that it has completed its review of the Operatives rates of pay as advised and that all rates have now been revised to meet the revised CCI rates of pay, and hereby submits its impact of the Variation on the Contract Price both to date and projected to completion.

#### **Details of Variation Direction**

Reference	Letter CPB-1005-LET-0106 from the Contractor in response to Engineer's Letter Ref. 1005-0045 regarding the Mobilisation of direct workforce personnel to the project.
Details	On 18 May 2023 the Contractor advised the Engineer within Letter CPB-1005-LET-0106 that as part of the proposed mitigation in agreement with the Engineer that,

*“A complete review of the rates of pay, to ensure we are aligned with other contractors and projects. This has been completed and the new rates are in place from 21st May 2023. An increase of approximately 10% for the workforce base rates has been initiated. These rates are aligned with the revised CCI agreement which was not in place at the time of the tender.”*

The implementation has occurred, and Contractor can now update the Engineer as to the additional costs incurred to date on a monthly basis and the anticipated final cost at Completion.

**Impact of the Variation to the Contract Price**

The Contractor provides the following pricing for the performance of the Variation.

Impact to Contract Price

To date the implementation cost is as follows:

- Average increase circa. \$4.8/hr;
- To date (Sept 2023) = \$1.3M (see monthly breakdown table below);
- Estimate at Completion = \$3.7M

MONTH	EST. VALUE
Feb-2023	\$ -
Mar-2023	\$ -
Apr-2023	\$ -
May-2023	\$ 18,430.62
Jun-2023	\$ 248,824.75
Jul-2023	\$ 292,664.03
Aug-2023	\$ 349,222.89
Sep-2023	\$ 402,553.62
<b>TOTAL</b>	<b>\$ 1,311,695.91</b>

Please refer to the breakdown included in Annexure A for further details.

Qualifications

The cost has been prepared based on the following:

1. Revised CCI Rates

	2. And a prorated amount for the remaining expenditure until Completion.
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The Contractor awaits the Engineers issuance of the Variation document in response, in accordance with Clause 9.1.

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

Yours sincerely,

**CPB Contractors Pty Ltd**



**Richard Walford**

**Contractor's Representative**