

Notsi PV Project

Engineering, Procurement and Construction Contract

Schedule 16 – Variation Pricing Methodology

1. Adjustments to the Contract Price for Variations shall be quoted and assessed (as applicable) as if on a fair, reasonable and competitive basis (but not on daywork rates unless required by the Employer under Clause 13.2 of Schedule 1 [*Conditions of Contract*]) having regard to and taking into account (as applicable):
 - 1.1. the materials, Contractor's Equipment, resources and other facilities already then available to the Contractor;
 - 1.2. the Cost if any to be incurred or saved in the execution of or generally in connection with the proposed Variation;
 - 1.3. reasonable profit which shall equal 5%;
 - 1.4. any over or under-recovery of overheads by the Contractor in consequence of the Variation;
 - 1.5. the Cost if any of any partial execution of the Works rendered useless by the proposed Variation;
 - 1.6. the Cost if any to be incurred or saved in making necessary alterations to Plant and/or Materials already manufactured or in the course of manufacture or of any work done that has to be altered in consequence of the proposed Variation; and
 - 1.7. the Cost if any to be incurred by the Contractor by the actual disruption of the progress of the Works.
2. As soon as practically possible but not later than 20 days from the Employer's request, the Contractor shall provide a detailed cost and price breakdown, to such level of detail together with such supporting information as the Employer may reasonably require, to permit the Employer to carry out a detailed analysis of prices and Cost for the purposes of valuing the proposed Variation.
3. Following receipt of a quotation by the Employer from the Contractor, the Employer may accept the valuation of the Variation as quoted by the Contractor and direct the Contractor in writing to proceed with the Variation, failing which the Employer shall proceed in accordance with Clause 3.5 (*Determinations*) to agree or determine the value of the Variation and corresponding adjustment to the Contract Price.

4. Unless the variation is one which the Employer (acting reasonably) deems is necessary due to an emergency arising in connection with and during the performance of the Works; to prevent damage to the Works or any part of the Facility; or personal injury or death or loss of or damage to any property, the Contractor shall not be obliged to commence with a Variation until such time as its value and corresponding adjustment to the Contract Price has been accepted by the Employer or agreed or determined in accordance with Clause 3.5 (*Determinations*).