

CONTRACT VARIATION LETTER TEMPLATE

USER NOTES – delete once letter is populated

Purpose: It is good practice (and often required by the terms of a written contract) for a variation to be clearly recorded in writing and signed by the parties, to avoid dispute later about the scope and meaning of the variation.

This contract variation template letter has been prepared to assist Government parties to effect and record a simple variation to an agreement with a non-government party (i.e. a supplier).

When to seek advice: This template is suitable for most non-complex and low-medium risk arrangements where a variation to the terms of the contract is required. If the matter is complex, or the result of protracted variation negotiations, or there is some doubt about the extent or consequences of the variation, then specific legal advice from the Crown Solicitor's Office should be sought.

Take care: Regard should always be had to the terms of the agreement and to any whole-of-Government or agency-specific procurement policies governing the variation of agreements, particularly if the variation is significant.

Additional approvals: Particular care should be taken when seeking to vary the amount of money passing under an agreement. Regard must be had to the requirement for further approval under Treasurer's Instruction 8.11A in relation to an increase in the total value of the contract. A significant variation may also amount to a new procurement in some circumstances, in which case Treasurer's Instruction 18 will need to be complied with. If there is doubt about the application of any procurement policies, consult with Procurement Services SA.

Practical tips: This template should be populated with as much specificity as possible, including by referencing clause and schedule numbers. Written variations should be stored with or attached to the original agreement.

Signing the letter: This variation letter should be signed by a government officer who has authority on behalf of the Government Party to enter into and exercise rights under contracts.

Further information: Procurement SA
 Contact Email: procurement@sa.gov.au

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<Government Party letterhead>

<insert date>

<insert name>

<insert position>

<insert name of counterparty>

<insert ABN>

<insert email address>

BY EMAIL ONLY:

Dear <insert name>

<INSERT AGREEMENT NAME> AGREEMENT – VARIATION

I refer to the agreement between <insert name of government party> (**Government Party**) and <insert name of counterparty> dated <insert date>, for <insert short description of contract> (**Contract**).

I confirm that the parties have agreed to vary the Contract as follows:

1. <insert required variation (eg. clause X is deleted and replaced with new clause X; the words “previous words” are deleted and replaced with the words “new words” in clause X; Schedule X is deleted and replaced with the new Schedule X included as an annexure to this letter)>.

The parties further agree that in all other respects the terms and conditions of the Contract shall continue to apply without variation.

In consideration of the grant of this variation by the Government Party, you will pay a variation fee of \$1.10 (GST inclusive) if demanded by the Government Party.

Please signify your agreement to the variation by signing and returning the duplicate of this letter.

Yours Sincerely,

.....
<insert name and title of signatory (a government officer who has authority on behalf of the Government Party to enter into and exercise rights under contracts)>

.....
<insert name of counterparty> hereby agrees to vary its Contract dated <insert date> with the Government Party on the terms specified in this letter.

Signed for and on behalf of <insert name of counterparty>

.....
[Name:]
[Title:]

Date: <insert day> / <insert month> / <insert year>

.....
Signature of Witness

.....
Name of Witness

.....
Address of Witness