

CONTRACT EXTENSION AND 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 and extension to be clearly recorded in writing and signed by the parties, to avoid dispute later about the scope and meaning of the variation and extension.

This template letter has been prepared to assist Government parties to effect and record a simple variation to **and** extension of an agreement with a non-government party. Separate templates letters are available where only a simple variation or a simple extension is required.

When to use this template: This template should only be used to record a variation and extension of an agreement if there are no extension options in the original agreement or where all extension options have been exhausted but the term has not yet expired. If there are extension options under the agreement, the Government party should comply with the terms of the agreement to agree and record the extension, and then use the simple variation template letter to record the variation.

When to seek advice: This template is suitable for most non-complex and low-medium risk arrangements where an extension and variation 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 and/or extension, 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 or extension of agreements, particularly if the variation or extension is significant or where the original agreement was the result of a competitive market approach.

Additional approvals: Particular care should be taken when an extension or variation has the effect of increasing the total expenditure under the 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. In some circumstances, extensions and variations may also amount to a new procurement, 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. This extension and variation letter

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

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*should be executed by both parties prior to the expiry of the existing term under the agreement.
. Written variations and extensions should be stored with or attached to the original agreement
and end dates updated in the agency's contract register.*

Signing the letter: *This extension and 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.*

Example Only



<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 – EXTENSION AND VARIATION

I refer to the agreement between the <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. extend the Contract by <insert period> with the extended term to commence on <insert date> and expire on <insert date>;
2. <insert required variation (eg. clause X is replaced with new clause X; the words “previous words” are replaced with the words “new words” in clause X; Schedule X is 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 Contract shall continue to apply without variation.

In consideration of the grant of this extension and 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 extension and 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 extend and 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

Example Only