VARIATION TO CONTRACT

Instructions for completing Variation to Contract form

What Is A Variation?

A variation is any change that adds to or reduces the cost of a contract. A variation may also be a change to contract conditions. In addition, amendments to plans, physical changes, choice of materials, choice of colours, choice of finishes, choice of PC items etc which may or may not change the contract value **are also variations** and should be recorded accordingly.

Notes:

- All variations should be numbered, this is easily done as indicated below:
  Use the owners initials then the date eg: Variation No … JB060513, if there are multiple variations for the same client on the same day simply add a letter of the alphabet, eg: Variation No … JB060513a

- To ensure the variation document is effective; be brief but provide as much detail as is possible, complete all sections and sign by all contract signatories.

- This form should be used to record and verify **all** variations to a contract. Preferably use separate forms for each variation item.

- Variations may change the contract **Completion Date**. Additional time required to carry out the variation work (or reductions) of time should also be recorded.

- Variations which **REDUCE** the contract price should be recorded as a negative (-) amount. Variations which **INCREASE** the contract price should be recorded as additional amounts.

- Variations which do **NOT CHANGE** the **CONTRACT VALUE** should also be recorded. Variations concerning supply of items or which physically **vary the works in any way**, but do not result in any change to the contract value, should be recorded and **signed off by both parties to acknowledge agreement on the variation**. In this case record Nil in the value column.

- Rule a diagonal line through any section of the details area that is not required, and initial (both parties).

- The Builder should retain the original copy and promptly record variations in contract / financial records. Scan or photocopy all variations and forward copies to the owner.

- **OWNERS SHOULD NOTIFY LENDING AUTHORITY OF CHANGES TO THE CONTRACT VALUE.** To ensure that sufficient funds are available, Owners must immediately notify their lending authority of variations which increase the contract sum and if required confirm that a loan extension is possible.
  It is strongly recommended that Builders bring this requirement to the attention of Owners.

  A copy of each variation should be provided (by the owner) to the lending authority.
  Builders should seek confirmation of loan extensions in writing to ensure that sufficient funds are available.

BUILDERS PLEASE NOTE: DO NOT amend plans or make ANY physical or structural changes to the project without prior consent and written confirmation from the Building Surveyor and the relevant Council Planning Officer.

SAMPLE

VARIATION TO CONTRACT

BUILDER VARIATION NO: _____

NAME: _____

ABN: _____ ACCREDITATION NO: _____ DATE: _____

PROJECT/JOB

CONTRACT DATED: _____

BRIEF PROJECT DESCRIPTION: _____

SITE ADDRESS: _____

OWNER'S NAME: _____

OWNER'S ADDRESS: _____

Please Note Variations as agreed below, are due and payable at the next issued invoice/progress claim.

Variation Details	Value		Time Adjustment
Brief description/details of items or work	$	c	Days
Variations as detailed on this form, to the total value shown. are agreed to and authorised by the undersigned. ……..**TOTAL**	$		**Total days**

This (select option) Extension/Reduction to the contract period is agreed to and authorised by the undersigned. ↥

Signed: (Owner 1) _____ (Owner 2) _____

Signed: (Builder) _____

SAMPLE