

Making a Contract Variation

Document sudden changes in the construction work immediately with contract variations. It will save you from the trouble of being in a building dispute because of a contract breach.

Consult our Construction Lawyer in Melbourne today regarding contract variations.

What is a Contract Variation?

A variation happens when there are changes in the amount, cost, or scope of works agreed upon in the construction contract. There can be either an increase or decrease in the work needed to be done, change the scope of work or change in contract price.

These contract variations could be proposed by either the owner or the contractor and must be agreed upon by all parties. Better, these should be documented into writing before becoming a valid change to the project. The change could be either in the way things are done, so this should be clear for all parties involved.

To avoid any unnecessary delays with payment or the work, the variation process under the construction contract must be followed. It will protect you from being in breach of the contract. Should there be a dispute between the parties regarding payment or work due to variations, showing that you have followed the process under the contract would most likely result in your favor.

Causes of Building Contract Variations

A variation happens when there are changes in the amount, cost, or scope of works agreed upon in the construction contract. There can be either an increase or decrease in the work needed to be done, change the scope of work or change in contract price.

Variations happen when unforeseen circumstances affect ongoing construction work. These circumstances cannot be avoided especially if the work has been ongoing for a long period of time.

Here are some situations you should watch out for:

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Situation 1

There are changes in the project site conditions such as sudden weather and temperature changes that lead to cost and time adjustments.

Situation 2

There is a need to change the kind of building materials to be used.

Situation 3

The costs of construction materials have increased in the middle of the project which affected the contract price.

Situation 4

The owner requests the contractor to do additional work that is not provided in the scope of works under the contract.

Situation 5

There are overlapping tasks between the contractors and you want to allocate the work better to suit their designated tasks more.

Note:

Before requesting to put any variation into writing, all parties must agree to the variation before proceeding to avoid further issues. It is essential that the parties follow the process under the contract to avoid dispute.

Types of Building Contract Variations

As a homeowner, building owner, builder or contractor, you can propose a variation to your builder for any of these reasons:

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- Change in the quantity of goods and services;
- Change in the quality of goods and services;
- Change in the costs of materials or services;
- Change in the plans and specifications;
- Change in the scope of work; and
- Change in the risk allocation and latent conditions of the construction project.

It is best to raise these concerns immediately. If you raise these things late, it will most likely result in unnecessary delays with the works and payments. . So, quickly deal with these variations to ensure a better and smooth sailing construction phase.

Documenting Building Contract Variations

You should document all variations by putting them into writing. You can formally send a notice of variation to your builder or vice versa containing the changes you would like to propose. Make sure to include important details including:

- an explanation of the change of plans and specifications;
- the effect of the variation to the project;
- any project delays that could occur due to the variation and;
- any additional costs that can affect the contract price.

For minimal changes, you can both look over your respective contracts and document these changes on the contract. You can put dates and initials on minimal contract changes such as omission and addition of a few words for both copies. This also applies to changing certain clauses or sections of the contract agreed between parties.

However, before making a proposal, you should double-check and review the variation clause of your contract in order to make these variations smoothly. What mainly matters is that to make the variation valid, both parties must agree to it and sign on the proposed changes to make things formal.

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Why should you immediately inform the other party of any variations?

It is important to inform your builder about variations and document it properly. Undocumented variations could lead to a contract breach or misunderstandings. It could be a cause of dispute, particularly with payment or building defects that can occur. A good construction contract will set the course for the construction project until it becomes a success. How good it was drafted and enforced will determine how the project will go. Thus, doing variations the right way will lead you to make construction more efficient.

Making Variation Claims with our Melbourne Construction Lawyer

If you have difficulty setting apart valid variations from the invalid ones, our construction lawyer in Melbourne can help you. Our contracts specialists can help you review your construction contract, and guide you to the right way of making a variation.

You are sure to have specialist legal advice and a better understanding of variations, whatever situation you are facing in your project. We can help you enforce your rights on your building contracts, so the house or building becomes a success.

If you have a construction contract to discuss or needs to be drafted, book your FREE first consultation now.

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