





Recovering Costs for Variations Not Signed and Accepted by Owners on a Quantum Meruit Basis

In the construction industry, builders and owners enter into contracts that set out the terms and conditions of the work to be done. However, during the course of a project, it is common for changes to be made to the original scope of work. These changes are known as variations and can arise due to a range of factors such as design changes, unforeseen site conditions, or the owner's request for additional work.

In most cases, variations must be documented and signed by the owner before the builder can proceed with the additional work. However, what happens when variations are not documented in accordance with contractual provisions, or when the owner does not sign off on the changes?

This is where the legal principle of quantum meruit comes into play. Quantum meruit allows a builder to claim reasonable remuneration for work done or materials supplied in situations where there is no valid and enforceable agreement governing their right to compensation. In other words, a builder can claim the value of the work they have completed, even if the owner has not approved the variations in writing.

In this article, we will explore the legal principle of quantum meruit and how it applies to claims for variations not signed and accepted by owners. We will discuss the key requirements for claiming quantum meruit, examine relevant case law, and provide practical advice for builders on how to successfully claim quantum meruit for variations not signed and accepted by owners.

By the end of this article, you will have a better understanding of how quantum meruit works in the context of <u>construction contracts</u>, and how builders can recover costs for variations that have not been signed and accepted by owners.

Definition and application of quantum meruit in construction contracts

Quantum meruit is a Latin term that means "as much as deserved." In the legal context, it refers to a claim for reasonable payment or compensation for work done or services









rendered. In the construction industry, quantum meruit is often used to claim payment for work that is outside the scope of the original contract or where the contract is silent on the payment for additional work.

Quantum meruit operates as an implied contract, which means that there is no express agreement between the parties regarding payment for the additional work. Instead, the builder is entitled to claim reasonable remuneration based on the value of the work done or materials supplied.

In order for a builder to successfully claim quantum meruit, they must be able to demonstrate that:

- The work was done or materials supplied under circumstances that implied that payment would be made
- The owner accepted and benefited from the work or materials supplied
- The builder did not waive their right to payment

In the context of <u>construction contracts</u>, quantum meruit applies where there is no agreement between the parties regarding payment for additional work or where the agreement is frustrated, avoided, or unenforceable. This might occur where variations have not been documented in accordance with the contractual provisions, or where the owner has not signed off on the changes.

Quantum meruit is a valuable legal principle for builders in the construction industry, as it allows them to claim payment for work that they have completed, even if the owner has not approved the variations in writing. However, there are specific requirements that must be met in order for a builder to successfully claim quantum meruit, and it is important to understand these requirements before making a claim. In the following sections, we will examine these requirements in more detail and provide practical advice for builders looking to claim quantum meruit for variations not signed and accepted by owners.

Variations not signed and accepted by owners - what does it mean?

In <u>construction contracts</u>, variations refer to changes to the original scope of work. These changes might be due to design changes, unforeseen site conditions, or the owner's request for additional work. In most cases, variations must be documented and signed by the owner before the builder can proceed with the additional work.







However, in some cases, variations may not be documented in accordance with contractual provisions, or the owner may not sign off on the changes. This can occur for a range of reasons, such as where the owner is unavailable or unresponsive, or where the builder proceeds with the additional work without formal approval.

When variations are not signed and accepted by owners, it means that the builder may not be entitled to claim payment for the work done under the terms of the original contract. However, the builder may still be able to claim payment on a quantum meruit basis.

To successfully claim quantum meruit, the builder must be able to demonstrate that the owner had actual knowledge of the variations as they were being done and that the owner knew that the work was outside the scope of the original contract. Additionally, the builder must provide evidence that the amount claimed is fair value for the non-compliant work.

It is important to note that variations not signed and accepted by owners are not automatically recoverable on a quantum meruit basis. The builder must still meet the requirements for a successful quantum meruit claim, and there may be other factors that impact the outcome of the claim, such as whether the variations were essential to the completion of the project or whether they were requested by the owner.

In the following sections, we will examine the key components of a successful quantum meruit claim and provide practical advice for builders looking to recover costs for variations not signed and accepted by owners.

Recovering costs for variations not signed and accepted by owners

Recovering costs for variations not signed and accepted by owners can be a complex process, but it is possible to claim payment on a quantum meruit basis if the builder can demonstrate that the work was done under circumstances that implied payment would be made, and the owner accepted and benefited from the work or materials supplied.

To successfully claim quantum meruit for variations not signed and accepted by owners, builders must be able to meet the following five components:

- 1. The subject building work fell outside the requirements of the contract, specifications, and other included documents.
- 2. The owner had actual knowledge of the variations as they were being done.
- 3. The owner knew that the variations were outside the contract.









- 4. The owner knew that the builder expected to be paid for the work as a variation to the contract.
- 5. The builder provided evidence that the amount claimed was fair value for the non-compliant work.

6.

If all five components are met, the builder may be entitled to claim payment on a quantum meruit basis. However, it is important to note that the burden of proof lies with the builder, and they must be able to provide evidence to support their claim.

Builders looking to recover costs for variations not signed and accepted by owners should follow these practical steps:

- 1. Keep accurate records of all work completed and materials supplied, including any variations.
- 2. Ensure that all variations are documented in accordance with the contractual provisions, and signed off by the owner wherever possible.
- 3. If variations are not signed and accepted by owners, communicate with the owner to ensure that they are aware of the work being done and the costs associated with it.
- 4. Provide evidence to support the claim, such as photographs, invoices, and correspondence.
- 5. Seek legal advice if necessary to ensure that the claim is made in accordance with the relevant laws and regulations.

In summary, recovering costs for variations not signed and accepted by owners is possible on a quantum meruit basis, but builders must be able to meet the five components outlined above and provide evidence to support their claim. By following these practical steps, builders can increase their chances of successfully claiming payment for work completed outside the scope of the original contract.

Key requirements for claiming quantum meruit for variations not signed and accepted by owners

To successfully claim quantum meruit for variations not signed and accepted by owners, builders must meet certain requirements. In this section, we will outline the key requirements for claiming quantum meruit and provide practical advice for builders.







1. The subject building work fell outside the requirements of the contract, specifications, and other included documents.

Builders must be able to demonstrate that the work done falls outside the scope of the original contract and any included documents. This means that the variations were not part of the original agreement and were not required to complete the project.

- 2. The owner had actual knowledge of the variations as they were being done. Builders must show that the owner was aware of the work being done and the changes to the scope of work. This can be demonstrated through regular communication with the owner or through written correspondence.
 - 3. The owner knew that the variations were outside the contract.

Builders must be able to show that the owner understood that the variations were not part of the original contract and were not required to complete the project. This can be demonstrated through written correspondence or through regular communication with the owner.

4. The owner knew that the builder expected to be paid for the work as a variation to the contract.

Builders must show that the owner understood that the work was being done on a variation basis and that they would be required to pay for the work completed. This can be demonstrated through written correspondence or through regular communication with the owner.

5. The builder provided evidence that the amount claimed was fair value for the non-compliant work.

Builders must provide evidence that the amount claimed is fair and reasonable for the work completed outside the scope of the original contract. This can be demonstrated through invoices, quotes, or other evidence of the value of the work completed.

To successfully claim quantum meruit for variations not signed and accepted by owners, builders should follow these practical steps:









- Keep accurate records of all work completed and materials supplied, including any variations.
- 2. Ensure that all variations are documented in accordance with the contractual provisions, and signed off by the owner wherever possible.
- 3. Communicate regularly with the owner to ensure that they are aware of the work being done and the costs associated with it.
- 4. Provide evidence to support the claim, such as photographs, invoices, and correspondence.
- 5. Seek legal advice if necessary to ensure that the claim is made in accordance with the relevant laws and regulations.

In conclusion, claiming quantum meruit for variations not signed and accepted by owners can be complex, but builders can increase their chances of success by meeting the key requirements outlined above and providing evidence to support their claim. By following these practical steps, builders can recover costs for work completed outside the scope of the original contract and ensure that they are paid fairly for their work.

Practical advice for builders on claiming quantum meruit for variations not signed and accepted by owners

Claiming <u>quantum meruit</u> for variations not signed and accepted by owners can be a complex process. In this section, we will provide practical advice for builders to help them successfully claim quantum meruit.

1. Keep accurate records of all work completed and materials supplied, including any variations.

It is essential for builders to keep detailed records of all work completed and materials supplied. This includes any variations to the original contract. Accurate records can help builders demonstrate that the work completed falls outside the scope of the original contract and was not required to complete the project.

2. Ensure that all variations are documented in accordance with the contractual provisions, and signed off by the owner wherever possible.

Builders should ensure that all variations are documented in accordance with the contractual provisions. This includes completing a variation form, getting it signed by the owner, and ensuring that the owner pays for the changes before any work is carried out.







Where possible, builders should obtain written confirmation from the owner that they accept the variations.

3. Communicate regularly with the owner to ensure that they are aware of the work being done and the costs associated with it.

Clear communication is essential for builders to successfully claim quantum meruit for variations not signed and accepted by owners. Builders should regularly communicate with the owner to ensure that they are aware of the work being done and the costs associated with it. This can help to <u>avoid disputes</u> and ensure that the owner is aware of the additional costs.

4. Provide evidence to support the claim, such as photographs, invoices, and correspondence.

Builders should provide evidence to support their claim for quantum meruit. This may include photographs of the work completed, invoices for materials supplied, and correspondence between the builder and the owner. The evidence should demonstrate that the work completed falls outside the scope of the original contract and that the owner was aware of the additional costs.

5. Seek legal advice if necessary to ensure that the claim is made in accordance with the relevant laws and regulations.

If builders are unsure about the legal requirements for claiming quantum meruit, they should seek legal advice. A lawyer can help to ensure that the claim is made in accordance with the relevant laws and regulations. This can help to avoid disputes and ensure that builders are paid fairly for the work completed.

In conclusion, claiming quantum meruit for variations not signed and accepted by owners can be complex. However, by following the practical advice outlined above, builders can increase their chances of success. By keeping accurate records, documenting variations, communicating regularly with the owner, providing evidence to support the claim, and seeking legal advice if necessary, builders can recover costs for work completed outside the scope of the original contract and ensure that they are paid fairly for their work.









Conclusion

Recovering costs for variations not signed and accepted by owners on a quantum meruit basis can be a challenging process. However, by understanding the legal principles of quantum meruit, and following the key requirements for making a successful claim, builders can recover costs for work completed outside the scope of the original contract.

It is important for builders to keep accurate records of all work completed and materials supplied, including any variations, and to ensure that all variations are documented in accordance with the contractual provisions. Clear communication with the owner is also crucial to avoid disputes and ensure that the owner is aware of the additional costs.

Builders should provide evidence to support their claim for quantum meruit, such as photographs, invoices, and correspondence. Seeking legal advice if necessary can also help to ensure that the claim is made in accordance with the relevant laws and regulations.

In conclusion, builders can successfully claim quantum meruit for variations not signed and accepted by owners by following the key requirements outlined in this article. By doing so, they can ensure that they are paid fairly for the work completed and <u>avoid disputes</u> with the owner.