





# Managing Variations: Tips for Keeping Your Project on Track

Managing variations is crucial for a successful building project. By effectively managing variations, homeowners can prevent delays, disputes, and unexpected costs. This article provides an overview of why variation management is essential and how it contributes to the smooth progress of a construction project.

# **Understanding Variations**

Variations are changes or modifications made to the original scope of work in a building project. They can arise due to design changes, unforeseen site conditions, or client requests. It is essential to grasp the concept of variations as they have a significant impact on the project's timeline, cost, and overall success.

Variations can disrupt the construction process, leading to delays, increased expenses, and potential disputes between homeowners and builders. By understanding the causes of variations, such as design revisions or unforeseen structural issues, homeowners can better anticipate and manage them.

It is equally important to familiarise oneself with the contractual provisions related to variations. Building contracts typically include clauses that outline the process for requesting and approving variations, the associated costs, and any required documentation. Understanding these provisions enables homeowners to navigate the variation process effectively, ensuring transparency and avoiding potential conflicts.

By comprehending the nature of variations, their causes, and the contractual framework surrounding them, homeowners can proactively address variations and minimise their impact on the project. This knowledge empowers homeowners to make informed decisions, communicate effectively with their builder, and maintain control over their building project.

# Identifying and Assessing Variations

Building projects are complex endeavours that can experience many changes and unforeseen events. Variations are one of these events and can occur due to many factors such as design changes, unforeseen site conditions, and client requests. Identifying variations early on is crucial as it can prevent significant delays and unexpected costs.







One of the most important steps in variation management is documenting the variations as they occur. This documentation should include a description of the variation, its impact on the project timeline and budget, and any changes to the contract or scope of work.

Assessing the impact of variations on the project timeline and budget is equally crucial. The project manager should evaluate the feasibility and cost implications of each variation and provide a detailed analysis to the client. This analysis should include the proposed solution to address the variation and the estimated cost and timeline to complete it.

Some methods to evaluate the feasibility and cost implications of variations include comparing the variation to similar projects, conducting a risk analysis, and seeking input from subject matter experts.

By identifying and assessing variations early on, project managers can keep their projects on track and prevent significant delays and unexpected costs.

## Communicating with the Builder

<u>Effective communication</u> between the homeowner and builder is crucial when it comes to managing variations. It is important to keep the builder informed of any changes in plans or specifications and to discuss any potential variations before they occur. This will help to avoid misunderstandings and disputes down the line.

When discussing variations with the builder, it is important to be clear and specific about the desired changes, and to discuss the feasibility and cost implications of those changes. Homeowners should also be open to the builder's suggestions and recommendations, as they may have insights or experience that can help to improve the project.

It is also essential to document any agreed-upon variations in writing. This will help to avoid any misunderstandings and ensure that both parties are on the same page. A written record of variations can be referred to if any disputes arise later on in the project. It is also recommended to have a variation management plan in place to ensure that all variations are managed effectively and transparently.

#### **Managing Variation Costs**

Controlling and managing variation costs is essential to keep your project on track financially. One strategy is to establish a contingency budget specifically allocated for unforeseen variations. This budget serves as a safety net to accommodate unexpected changes without jeopardising the overall project budget.







Regular cost tracking and monitoring are equally important. This involves keeping a close eye on expenses related to variations and comparing them to the allocated contingency budget. By closely monitoring these costs, you can identify any potential overruns early on and take proactive measures to address them.

It is also crucial to engage in effective communication with the builder regarding cost implications of variations. Discussing the financial impact of proposed changes can help both parties make informed decisions. Builders may be able to suggest alternative solutions or cost-saving measures that align with your budget.

## Prioritising and Sequencing Variations

When managing multiple variations, it is important to prioritise them based on their impact and importance. Consider the potential consequences of each variation on the project timeline, budget, and overall functionality of the building. Prioritise variations that have a significant impact or are critical to the project's success.

Sequencing variations involves determining the order in which they will be implemented. Consider factors such as dependencies, construction sequencing, and logistical considerations. Collaborative decision-making with the builder is crucial during this process. Builders can provide insights into the practicality and feasibility of sequencing variations without compromising the project's efficiency.

By prioritising and sequencing variations effectively, you can maintain project momentum and avoid disruptions. Collaborative decision-making ensures that variations are implemented in a logical and organised manner, minimising any negative impacts on the overall construction process.

#### Reviewing and Updating Contracts

Regularly reviewing and updating contracts is essential to reflect any agreed-upon variations accurately. It ensures that all changes are documented and incorporated into the contract, providing a clear and binding agreement for both parties. By updating the contract, you establish a legal foundation that protects your rights as a homeowner and ensures compliance with the agreed-upon variations.

During the <u>contract review</u> process, it is advisable to seek legal advice if necessary. A construction lawyer can provide guidance and ensure that the contract accurately reflects the variations and protects your interests. They can also advise on any legal implications or potential risks associated with the variations.







# Monitoring and Controlling Project Progress

To effectively manage variations, it is crucial to regularly monitor the project's progress. This involves overseeing the implementation of variations to ensure they are carried out correctly and in accordance with the agreed-upon terms. Regular site visits and inspections can help you stay informed about the construction process and identify any potential issues or deviations from the plan.

Maintaining open lines of communication with the builder throughout the project is vital. Regular updates and discussions will keep you informed about the project's status, allow for timely decision-making, and address any concerns or changes that may arise. Effective communication promotes collaboration and enables you to address unexpected issues promptly, minimising their impact on the project's overall timeline and budget.

In cases where unexpected issues or changes occur during the construction process, it is important to have strategies in place to manage them effectively. This may involve reassessing the project plan, revisiting the budget, or consulting with the builder and relevant professionals to determine the best course of action. Flexibility and proactive problem-solving are key to maintaining project progress and successfully navigating any challenges that arise.

# Conclusion: Effective Variation Management: Key to a Successful Building Project

In conclusion, managing variations is a critical aspect of any building project, and proactive variation management is key to its success. Throughout this article, we have explored the importance of understanding, identifying, assessing, and communicating variations. We have discussed strategies for managing variation costs, prioritising and sequencing variations, reviewing and updating contracts, and monitoring project progress. By implementing these tips and techniques, homeowners can keep their projects on track, minimise delays, disputes, and unexpected costs.

To further assist you in navigating the complexities of residential <u>building contracts</u>, we invite you to download our "Building Contract Assessment Checklist." This comprehensive checklist will guide you in reviewing and assessing your contract to ensure a fair and transparent agreement. By using this valuable resource, you can safeguard your rights and make informed decisions throughout your building project journey.