

## 16 Variation Orders and Extra Work Orders

- 16.1 The responsible Chief Officer shall record every Variation Order or extra works order immediately it is raised. If the issue of Variation Order(s) would at the date of the order cause the final contract price to exceed the original contract sum by more than £50,000 or 10%, whichever is the lower, the Chief Officer must immediately inform the Director of Finance. This rule applies to all contracts as defined in Contract Procedure Rule 4.1, including those based on an 'Agreed Maximum Price'.
- 16.2 If the supervising officer considers in his or her professional opinion that it is necessary for the works specified in a contract to be varied for technical reasons to ensure the successful delivery of the contract (for example; dealing with unforeseen ground conditions) , the officer shall be authorised to consent in writing to the necessary variations to the contract. He shall subsequently submit a written report to the next meeting of the Cabinet or relevant regulatory committee in order to explain the reasons for the action taken if the agreed variations are likely either singly or cumulatively to result in the contract price exceeding the tender total by a sum calculated as 10% of the tender total including contingencies or £50,000 whichever is lower.
- 16.3 Any other variations to a contract which are not technically necessary for the successful delivery of the contract for example variations which increase or enhance the approved scope of the contract, shall be in writing and shall require the prior approval of the relevant Cabinet portfolio holder or relevant regulatory committee after consideration of a written report but only if the supervising officer estimates that the variations are likely either singly or cumulatively with previous variations to result in an increase of expenditure of more than £20,000.
- 16.4 Where the contract sum fluctuates in accordance with an index linked to measure of inflation, the £50,000 or 10% relates to the original tender sum as adjusted under the terms of the contract.
- 16.5 Where the contract price includes a sum for contingencies, the limits in paragraph 16.1 shall relate to the total contract price inclusive of contingencies.