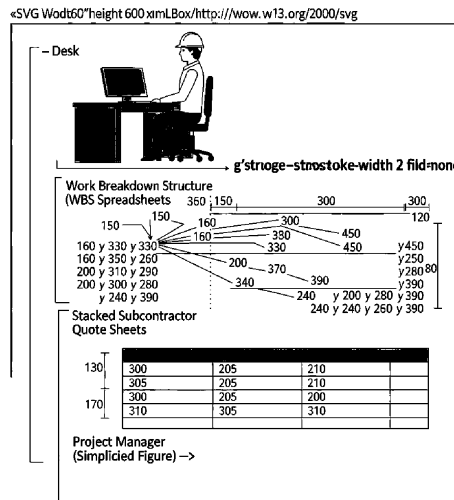


HIGH-VOLUME

WORKSHEET 3 OF 9

Weekly Variation Order Log -- Active Project

Update every Friday or after any instruction from the client or supervising consultant. Do not wait until the project finishes.



Complementary worksheet for
Project Cost Estimation
by Ibrahim Anwar

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What This Is For

Uncompensated scope changes are among the five most common causes of cost overrun for small contractors -- not because clients refuse to pay, but because the claim is submitted after the project finishes, when the evidence no longer exists and the contractual window has closed. The variation order log is a running record of every instruction received that may fall outside the original contract scope. Updated weekly, it keeps the notification deadline visible, the claim value visible, and the total exposure visible against the contingency reserve.

This sheet belongs on the desk during every project, not in a folder for post-project filing. A contractor who updates this log every Friday knows, at the end of week three, exactly how much additional work has been instructed, how much has been formally claimed, and how much contingency remains. A contractor who does not update this log discovers those same facts at project completion, when most of the actionable deadlines have already passed.

Benefits

What you get when you actually run this worksheet on a real situation:

- Keeps the 7-day notification deadline visible for every identified scope change, before the window closes.
- Shows total unresolved claim exposure against remaining contingency reserve at any point in the project.
- Creates dated documentation that establishes when the contractor identified each change -- the key fact in any subsequent dispute.
- Forces the claim calculation to use the same methodology as the original bid, making the claim harder to reject on inconsistency grounds.
- Provides auditors with a per-project variation order record that supports PSAK 72 revenue recognition documentation at Level 3.

Framework To Use

— Four-Gate Claim Discipline

Every scope change passes through four gates before it closes. Missing any gate costs money.

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How To Use

Follow these steps in order. Each one builds on the previous.

- 1 Open a new log row every time you receive an instruction from the client or supervising consultant that may differ from the original contract scope. Do not wait to confirm -- log it immediately and mark it 'under review' if the scope question is not yet resolved.
- 2 Fill in the Date Identified column with the actual date the instruction was received, not the date it was logged. This date is the start of the contractual notification window.
- 3 Send a written notification to the client within 7 days of the Date Identified. Minimum content: the date the instruction was received, a brief description of the work, your assessment that it falls outside original scope, and a commitment to submit cost and schedule impact within a specified number of working days.
- 4 Calculate the cost impact using the same unit rates, overhead rate, and contingency category as the original bid. A claim calculated on different rates is inconsistent with the contract basis and easier to reject.
- 5 Record the Estimated Cost Impact before submitting and track the Approved Value separately. The difference between total estimated and total approved, summed across all rows, is the commercial performance measure for the variation order process on this project.
- 6 Every Friday: review every row where Date Notification Sent is blank. If Date Identified is more than 5 days ago, send the notification today.
- 7 If a row is rejected: write the reason in one sentence. Three or more rejections with similar reasons on the same project signals either an inconsistent claim basis or contract language that needs review before the next similar contract is signed.

Example Use

A civil contractor is 6 weeks into a site preparation project valued at \$62,500. Three scope changes have occurred. The contractor reviews the log on Friday afternoon.

VO-001: Identified day 8. Client instructed removal of an additional 80 m³ of contaminated soil not in the original scope. Notification sent day 11. Cost impact: 80 m³ x \$18/m³ disposal plus \$1,200 additional excavator hire = \$2,640. Status: submitted. Claim deadline per contract: 14 days from identification (day 22). Today is day 36. The notification was sent on time; the claim is valid.

VO-002: Identified day 19. The supervising consultant verbally instructed re-grading of the eastern slope to a different gradient than the drawings showed. No written instruction followed. Notification sent day 23. Cost impact: \$1,850 in additional grading labour and compaction. Status: under negotiation. The client disputes whether this falls outside scope. The notification letter dated day 23 establishes that the contractor identified it as out-of-scope at that time.

VO-003: Identified day 31. Client requested a temporary access road not in the original scope. Today is day 36 -- 5 days since identification. The notification has not been sent. Five days remain in the 7-day window. The contractor writes and sends the notification this afternoon. Cost impact estimated at \$3,100.

Total estimated VO value: \$7,590. Contingency reserve at project start: \$5,000 (Category A, 8% of \$62,500). The VO exposure already exceeds the contingency. The contractor notes this for the owner: if VO-001 is only partially approved or VO-002 is rejected, the contingency is exhausted and further unexpected costs come from margin.

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. For every row where Date Notification Sent is blank: count the days since Date Identified. If 5 days or more have elapsed, send the notification today. The contractual window on most contracts is 7 to 14 days from identification. Sending on day 6 is still within the window. Sending on day 8 may not be.

2. Sum the Estimated Cost Impact column. Compare against the contingency reserve remaining on this project. If total identified VO exposure exceeds the contingency reserve, this is a cash-flow risk that requires owner attention now -- not at project completion when the damage is already in the books.

3. For every row marked Rejected: write one sentence noting the stated reason. Three or more rejections on the same project with similar reasons is a pattern -- either the claim methodology is inconsistent with the original bid, or the contract's change-order clause is more restrictive than standard. Read the clause before submitting the next claim.

Tips and Traps

TIPS

- Log every instruction that might be outside scope, even if you are not sure yet. Mark it 'under review' in the Status column. It is far easier to close an unnecessary log row than to reconstruct a claim after the notification window has closed.
- The notification letter does not require you to know the final cost at the time of sending. The minimum is: 'we received this instruction on [date], we assess it falls outside original scope, we will submit cost impact within [X] working days.' Send that letter. The cost calculation comes after.
- Keep VO execution documentation -- daily logs, photos, material invoices -- in a separate folder from normal project records. Commingled records are far harder to present as evidence in a dispute.
- Calculate the claim using the original bid's unit rates, overhead rate, and contingency category. A claim that uses different rates invites the client to question whether the original bid rates were artificially low.

TRAPS

- Beginning change work before the notification is sent and before written approval is received. This is the most common reason valid claims fail. The contractor executes, the client pays for what they approved at the original contract price, and the additional work is absorbed because there is no contemporaneous record.
- Treating verbal instructions from the site supervisor or junior consultant as instructions from the client. Verbal instructions from people without signing authority on the contract do not create variation order rights. Get written confirmation before logging a VO.
- Summarising multiple scope changes into one VO to simplify the paperwork. Each distinct instruction should have its own VO reference. Bundling creates disputes about what was approved and at what value.
- Filing the log at project completion rather than updating it weekly. A log reconstructed from memory at project end is not contemporaneous documentation. Courts and arbitrators treat them differently.

Appendixes

Appendix A -- Scope Change Notification Template

Subject: Scope Change Notification -- Contract No. [XX] -- [Project Name]

Dear [Client Name / Consultant Name],

We received an instruction on [date] to carry out [brief description of additional or changed work]. We assess that this falls outside the scope of work defined in Contract No. [XX] dated [XX].

We will calculate the cost and schedule impact of this change and submit it to you within [5] working days.

Execution of this change work is pending your written confirmation, unless there is a written instruction to proceed before the variation order is formally approved.

[Your name and title]

[Date]

Note: send by email. Save the sent email with timestamp. If the instruction was given verbally or by WhatsApp, send this notification by email the same day with a note in the subject line confirming the verbal instruction received.

Appendix B -- Claim Deadline Tracker

Contract clause on claims / variation orders: Section ____, Page ____

Deadline stated: ____ days after identification / after occurrence

Date identified + deadline days = notification due date.

Write the due date in the Claim Deadline column on the day you log the VO.

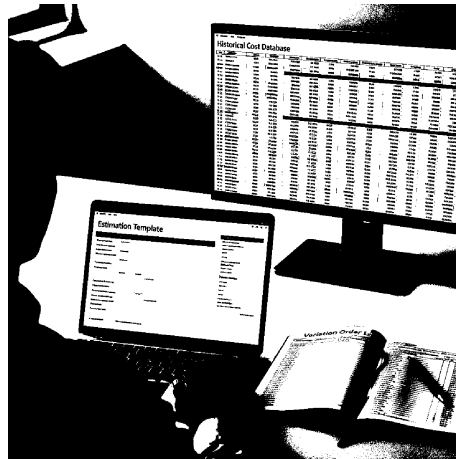
Common contractual deadlines (verify against your actual contract):

Government procurement (Perpres No. 12/2021): addendum required before execution. Notify immediately.

Private construction contracts (FIDIC-based): typically 28 days from awareness of the event giving rise to the claim.

Simple private contracts (no standard form): check the Variations or Additional Work section. If no clause: 7 days is the safe standard.

A notification sent within 7 days and not contradicted by the client establishes a stronger position than one sent at month-end.



WHERE THIS WORKSHEET COMES FROM

Project Cost Estimation

Calculate the Cost Before Signing, Not After the Work Has Started

by Ibrahim Anwar

This worksheet is one of nine in the *Project Cost Estimation* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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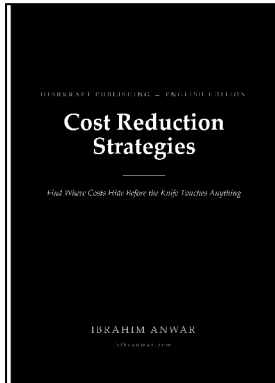
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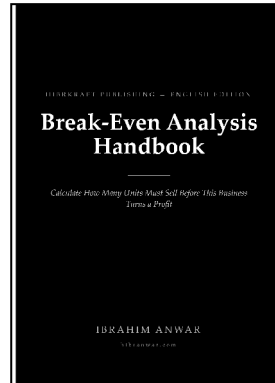


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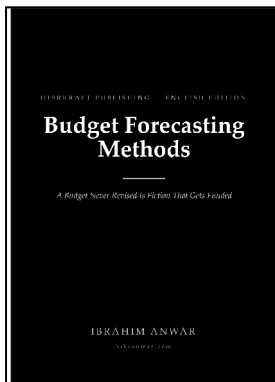


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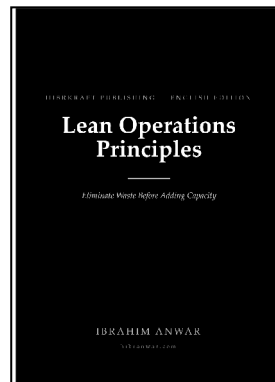


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