

Beautiful Basements Advice Sheet



Basement Build
Conversion
Retro-fit
Waterproofing

Project Overruns, Contract Variations, Unforeseen Works & Design Changes

This advice sheet is aimed at our domestic customers and explains some of the problems that can crop up during a build programme and how we try and deal with these problems. Please take the time to read this document as it will help to explain what can happen if things change or go wrong, how we can deal with it all, and how changes will impact on the works we do, the build programme and your budgets.

The works we are undertaking for you are likely to run into many thousands of pounds – so its worth taking the time to understand some of the problems that can crop up - and ensure that you have everything ready for us to help us finish as agreed and keep within budget.

Background

When we start a project we will already have set out a schedule of works for you and agreed these works in advance. This is part of our quote and contract with you and it details what works need to be done to get to the agreed outcome for you. As part of the process of preparing this schedule, we work out what labour, materials and plant we need to undertake the job - and a time slot is then factored into our overall works programme.

When we agree a project with you we set aside sufficient time to finish the programmed works. Our programs usually allow a few days "slack" to allow for small overruns, but if the works required change significantly then we can no longer complete within our agreed works programme – and something must give.

There are several reasons why a project can overrun

- Works take longer than we (the contractor) anticipated
- Design changes or late design decisions cause delays
- Unforeseen "necessary" works become apparent
- Additional works are added to the contract after the programme is agreed
- You (the client) are not ready for our agreed start date
- Any works you (the client) are providing or undertaking are delayed
- Any materials you (the client) are providing are delayed
- An unforeseen safety risk causes work to stop
- Specialist materials or parts are unavailable or have long lead in times
- Archaeological factors
- Disputes
- Not paying our bills on time

Any one of these can cause a project to run over the allocated build programme. When things do run over we are in danger of eating into another client's pre-arranged build programme and must decide and agree with you how to manage things.

How can we deal with overruns?

There are several things we can do to manage these overruns and help mitigate the problems caused for you as the client, us as the contractor and our other clients who already have agreed start dates and build programmes.

- Delay the start dates and work programmes for our other customers
- Bring in sub-contractors to help manage things
- Bring in additional temporary labour to help manage things
- Postpone the completion date of your works programme
- Finish your project as resources become available

How do we deal with different issues?

Our general wish and hope, whatever the reason for a delay, is to get the project finished within the original programme or as quickly as possible thereafter. It's the best outcome for you as the client, us as the contractor and for other customers who have works booked with us.

Nonetheless it's not always possible, so below is a summary of how changes impact on the works programme and how we will deal with things.

Works simply take longer than we anticipated

Where works just take longer than we estimated when we put the programme together we will work our very best to try and get things back on programme for you. This is our cost and our risk and we will use all options available to us to get your project finished as quickly as possible. We will keep you informed of any delays but finishing your project is our priority.

Design changes and Late design decisions

Design changes can have significant impacts on an agreed project programme. When we agree a works programme we have already plotted what labour is needed when, and what materials are needed on site at what time in the build program. Changing the design of things means that we may have to postpone works on site as we don't have the correct materials or labour to hand, or book alternative and/or additional resources at short notice.

Our general approach is to flag up ALL design decisions before we start building and get them agreed as soon as possible. That way we can plan effectively. We usually try and flag these up before we even agree a start date and programme.

If there is a design change as we are actually working on the project, it will almost certainly impact on our completion date. We may have the wrong people and materials on site and in some circumstances we may have to undo work we've already completed.

Our approach in this instance is that you are our customer and we will always accommodate what you want. However you should be aware of the cost and timescale implications flowing from these decisions. First, we will need to charge you for any abortive works, materials returns, standing time etc. Second we will need to re-schedule your programme.

Where a programme is delayed due to design changes or decisions, especially late ones, we will not put back our other customers. So if the changes have a considerable impact, your project is likely to overrun by weeks as we will either fit you in where we can around our other customer's schedules, or schedule a completely new re-start date when we have a slot available.

We can agree options for bringing in sub-contractors or additional temporary labour to help speed things up, but there are additional costs, overheads and risks involved in both options.

The general rule must therefore be to organise design issues well in advance, and anticipate additional costs and delays if you don't. We will not prioritise completing your project at the expense of putting back other customer's start dates.

Unforeseen works become apparent

Unforeseen works are rare but can have a huge impact on works programmes and in some cases may lead to the whole project being postponed. In new build projects we can hit unforeseen ground conditions or hydrology that requires changes to engineering designs or temporary works. In existing buildings we may uncover structural problems as works progress, find areas that need underpinning or find rotten timber. We usually know the sort of problems we might find in basements in advance - so it's likely we have advised you already that there might be a problem.

In general only about 5% of projects hit something completely unforeseen. Smaller things can be dealt with straight away and are likely to have little impact on the programme. But when a serious issue is uncovered it can have a major impact on programmes.

Where an engineer's design advice is required this can take anywhere from a couple of days to a few weeks to be formalised. We may then need to order in specialist materials and we will certainly need to organise appropriate labour.

The costs of any unforeseen works remain yours as the client. When a problem is uncovered we will make things safe and continue works where we can, but we may simply have to stop works whilst a resolution is agreed and the costs worked out.

These longer stops throw everything out in our works programme and can lead to a delay of weeks past the due completion date. In these circumstances we will finish any essential safety or stabilisation works, then pull off site, bring other projects forward and agree a new start date with you to complete the project.

We can agree options for bringing in sub-contractors or additional temporary labour to help speed things up, but there are additional costs, overheads and risks involved in both options.

The general rule is therefore that unforeseen works will probably lead to delays in completion and we will then finish your project as resources become available. Where unforeseen works are in excess of 10-20% of contract costs, or engineering designs are required to resolve a problem, we will probably need to postpone your project to a new start or completion date. We will not usually prioritise completing your project at the expense of putting back other customer's start dates but we will endeavour to get completed as soon as possible for you.

Additional works are added to the contract

Where additional works are added after we've agreed a works programme, completion dates will nearly always be put back. Additional works not only add to the amount of time we need to spend on site, but can also throw out scheduled works, labour and materials requirements.

Where additional works are required we will agree the costs in advance and may bring in sub-contractors or additional labour to keep things moving forward. We will not push other customer's projects back so any additional requirements will be fitted in as resources are available and this may lead to delays of several weeks beyond the original completion date. If additional works require any bespoke parts or materials, completion dates can be pushed back even further, as we must wait for them to arrive before booking labour to install them.

The general rule should be to consider all the things you want, and agree how they are going to be done, before we agree a works programme. We will not prioritise completing your project at the expense of putting back other customer's start dates.

You aren't ready for us to start as agreed

If we book a works slot for you and we are then unable to start because you are not ready this can cause several problems. First, the delays at the start of the project will knock on to delays at the end of the project. Second, if we don't have sufficient notice we may not be able to bring other projects forward. In these instances we reserve the right to deduct any standing time without work from your deposit.

Where you aren't ready for us to start work as agreed we may need to put back your start date or alternatively finish your project as resources become available. We will not prioritise completing your project at the expense of putting back other customer's start dates.

Your own works or materials are delayed

For some clients we only undertake the specialist "basement" related works and our clients organise their own plumbers, electricians, plasterers etc. We're happy to work with your contractors, happy to give specialist advice as required and the relationship usually works well. For some clients we also agree in advance to fit products that they supply such as specialist skirting, electrical items etc.

In both circumstances we programme in advance a timeframe when these works need to be completed by, or when materials need to be on site. If these dates are not met we "may" be able to get on with other works and prevent delays, but in some circumstances we can't.

If we have to stop work and are unable to bring other projects forward we reserve the right to charge you for any standing time without work.

Where things aren't ready for us as agreed we may need to put back your start date or alternatively finish your project as resources become available. We will not prioritise completing your project at the expense of putting back other customer's start dates in these circumstances.

Unforeseen safety risks

There are some circumstances where we are required by law to stop work. For example if we find asbestos, if there is a smell of gas, if a structure is in imminent danger or collapse, or if required to do so by the Health and Safety Executive. In these circumstances we may need to stand down for hours or sometimes days while the problem is resolved.

Where these circumstances are outside of our control we reserve the right to charge you for any standing time without work.

If the delays are significant we may need to put back your start date or alternatively finish your project as resources become available. We will not usually prioritise completing your project at the expense of putting back other customer's start dates in these circumstances, but we will endeavour to get completed as soon as possible for you.

Please note that as the client you have safety responsibilities that you are OBLIGATED to consider to minimise safety risks. For details see <https://drive.google.com/file/d/0B659qcrSpYi6WFRUN3JqaEJtYU0/view?usp=sharing> or search online for "indg411.pdf"

Specialist materials and materials shortages

Specialist materials and bespoke items may have considerable waiting times before delivery. Occasionally general materials are in short supply and also have a long lead in time for delivery. Whilst we are usually very good at identifying long lead in times and ordering in sufficient time for project programme requirements, delivery dates cannot always be guaranteed.

For general materials shortages we will work our very best to try and get things back on programme for you. We will use all reasonable options available to us to get your project finished as quickly as possible, keep you informed of any delays, and finishing your project is our priority. As the availability of these resources is outside of our control, however, we are limited in our options.

Where specialist materials or bespoke items aren't ready for us to start work as agreed we may need to put back your start date or alternatively finish your project as resources become available. We will not prioritise completing your project at the expense of putting back other customer's start dates because a specialist component is late in arriving.

Archaeological Factors

Occasionally planning conditions require archaeological surveys to be undertaken at certain stages of a works program, or if something is uncovered then works must stop whilst a survey is carried out.

If you are aware of archaeological requirements please tell us before we agree a programme so that works can be arranged around key surveys. It's very rare but if works are stopped because of an archaeological find and we have to stop work and are unable to bring other projects forward, we reserve the right to charge you for any standing time without work. We may also need to put back your start date or alternatively finish your project as resources become available. We will not prioritise completing your project at the expense of putting back other customer's start dates in these circumstances.

Disputes

A dispute between us and you could possibly lead to delays in completing a project. In such circumstances we have access to an accredited Alternate Dispute Resolution service as a registered member of the government's Trustmark contractor scheme. We will



abide by any judgement in terms of costs and/or dispute resolution proposals made by this third party organisation.

Delays in paying our bills

If you do not pay our bills on time without advising us why, and without our agreement, we reserve the right to pull off site. If we stop work and are unable to bring other projects forward we reserve the right to charge you for any standing time without work and for our costs in re-mobilisation.

Where things get delayed significantly we may need to put back your completion date or alternatively finish your project as resources become available. We will not prioritise completing your project at the expense of putting back other customer's start dates in these circumstances.

Summary

The above details some (but not all) of the things that can cause delays in completing a project. Projects usually run smoothly as long as things are planned well in advance by both us as the contractor, and you as the client. Surprises cause delays and delays add to costs! Making sure that you know what you want, and more importantly that we know what you want at the deposit stage will keep both surprises and delays to a minimum and lead to a smooth and well run project.