

# SOP Template: Process for Managing Contract Amendments and Variations

This SOP describes the **process for managing contract amendments and variations**, including identification of the need for changes, documentation requirements, approval workflows, communication protocols, and record-keeping practices. The purpose is to ensure all contract modifications are handled systematically, maintaining compliance, transparency, and alignment with original contract terms while accommodating necessary adjustments efficiently.

## 1. Scope

This Standard Operating Procedure (SOP) applies to all contracts where an amendment or variation may be required due to changes in project scope, deliverables, timelines, costs, legal or regulatory requirements, or other relevant factors.

## 2. Definitions

Term	Definition
Amendment	A formal change to the terms and conditions of an existing contract.
Variation	An agreed adjustment to an aspect of the contract (e.g., scope, price, schedule).
Stakeholder	Any individual or group impacted by the contract or its changes.

## 3. Roles and Responsibilities

Role	Responsibilities
Contract Owner/Project Manager	Initiates and leads the amendments/variations process.
Legal/Contracts Team	Reviews, drafts, and records amendments/variations.
Approving Authority	Grants final approval for contract changes as per delegation of authority.
Stakeholders	Review and provide input or consent as required.

## 4. Procedure

- Identification of Need**
  - Recognize need for amendment/variation (scope change, regulatory update, etc.).
  - Notify relevant stakeholders of the potential change.
- Documentation**
  - Prepare a Contract Amendment/Variation Request Form with detailed rationale, affected clauses, and impact assessment (time, cost, scope, risk).
- Approval Workflow**
  - Route request for internal review by the Contract Owner, Legal/Contracts Team, and stakeholders.
  - Obtain documented approval(s) per delegation of authority matrix.
  - Secure counterparty agreement and signature where required.
- Communication**
  - Communicate approved changes to all relevant parties.
  - Update stakeholders regarding implementation timelines and responsibilities.
- Implementation and Record-Keeping**
  - Update contract documents and relevant systems.
  - Retain signed amendments/variations and related correspondence in the contract management system.

## 5. Records Management

- All amendments and variations, including related approvals and communications, must be securely stored in the designated contract management system for audit and compliance purposes.
- Retention period: Minimum of [X] years, or as required by law or policy.

## 6. References

- Contract Management Policy
- Delegation of Authority Policy
- Applicable Laws and Regulations

## 7. Revision History

Version	Date	Description	Author
1.0	2024-06-10	Initial template issued	[Your Name]