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Procurement Policies Department
Business Development Group

17 February 2022

Dear Sir/Madam

END OF RELIEF PERIOD UNDER PART 2 AND PART 8B OF THE COVID-19 (TEMPORARY MEASURES) ACT FOR RELEVANT CONTRACTS IN THE BUILT ENVIRONMENT SECTOR

This circular informs the Built Environment (“BE”) sector on the end of the prescribed period for legislative relief (“relief period”) related to the BE sector under Part 2 and Part 8B of the COVID-19 (Temporary Measures) Act (“COTMA”) on 28 February 2022.

Background

2 The COTMA was enacted in April 2020 to provide relief to businesses and to enable equitable co-sharing of increased costs by project parties that are affected by the impact of COVID-19. Currently, ***the relief period under COTMA Part 2 and Part 8B is scheduled to end on 28 February 2022***, barring any unforeseen circumstances such as a severe industry-wide disruption to construction works caused by COVID-19.

3 The COTMA reliefs are meant to be temporary. However, given the significant impact of COVID-19 on BE sector, the Government has extended the relevant COTMA reliefs several times. This has provided firms with additional time and support to negotiate amicable outcomes between parties.

4 We have seen encouraging signs of the sector’s recovery. Based on project progress payments made at the industry level, the current level of construction output is close to pre-COVID levels. This indicates that construction activities are progressing at a steady pace. As the relief period for the relevant construction and supply contracts under Part 2 and Part 8B is scheduled to end on 28 February 2022, contracting parties may consider the actions under paragraphs 5 and 6 if they have not done so, while continuing discussions to achieve amicable outcomes.

Preparing for end of COTMA Part 2 and Part 8B

5 **Part 2. If contracting parties require relief under Part 2 of the Act, contracting parties must serve a Notification for Relief (NfR) before 28 February 2022.** The defence to a claim for a breach of contract will continue beyond the expiry of the relief period if the NfR is served before 28 February 2022, i.e. defaulting parties can still raise the defence under the COTMA at any legal proceedings even after the relief period if the NfR is served before the end of the relief period.

6 **Part 8B.** If contractors wish to claim cost-sharing of the qualifying costs incurred on or before 28 February 2022 from the inability to complete the construction works by the completion date due to COVID-19, they need to include the item in their regular payment claims to their customers/clients. While there is no specific deadline to put up the payment claim, it is advisable for contractors to submit

such claims as soon as reasonably practicable so as to allow clients sufficient time to evaluate their claims and minimise potential disputes.

COTMA Part 10A (increase in foreign manpower salary cost)

7 Currently, the relief period for COTMA Part 10A is scheduled to end on 31 March 2022. Contractors can apply to seek a Part 10A Assessor's determination before 31 May 2022 to adjust the contract sum for the increase in foreign manpower salary costs. Such increase of costs should be in respect of Work Permit Holders, due to COVID-19 during the period from 1 October 2020 to 31 March 2022, if contracting parties are unable to reach an amicable outcome. The application for an Assessor's determination can be made at <https://go.gov.sg/cotma10a>¹.

Ex-gratia Extension of Time (EOT) for public sector projects from July 2021

8 BCA has earlier announced an ex-gratia EOT of 34 days for the period from January 2021 to June 2021 for eligible public sector construction contracts affected by COVID-19. For the period from July 2021, BCA is in discussion with government agencies on the ex-gratia EOT to be provided for eligible public sector construction contracts. Details will be announced by BCA when ready.

Further information

9 Further details on the processes under Part 2, Part 8B and Part 10A of COTMA can be found at <https://www.mlaw.gov.sg/covid19-relief>, <https://go.gov.sg/bca-guide-cotma-8a-8b> and <https://go.gov.sg/cotma10a> respectively.

Thank you.

Yours faithfully

ANG LIAN AIK
GROUP DIRECTOR
BUSINESS DEVELOPMENT GROUP
for CHIEF EXECUTIVE OFFICER
BUILDING AND CONSTRUCTION AUTHORITY

¹ For any application fee payable under COTMA Part 10A, the Part 10A Registry at URA will not send any SMS or email with links or QR codes to payment gateway or payment page to any applicants. Applicants will be directed to pay for the fee on URA's website (<https://www.ura.gov.sg>). Please be wary of links that do not end with the official ".gov.sg" or "go.gov.sg". If you have spotted any suspicious email from the Part 10A Registry, you may contact them at ura_covid19_registry@ura.gov.sg.