

13 May 2021

Real Estate Developers' Association of Singapore (REDAS)
190 Clemenceau Avenue
#07-01 Singapore Shopping Centre
Singapore 239924

BY EMAIL

Attention: Mr. Chia Ngiang Hong, President

Dear Mr Chia,

SUPPORT MEASURES FOR CONSTRUCTION CONTRACTS DUE TO COVID-19 EVENTS

Since April 2020, firms in the built environment sector have faced challenges due to the COVID-19 pandemic. While construction works have progressively resumed from August 2020, many construction projects continue to face challenges in resuming pace of work to pre-COVID levels as they adjust to new requirements such as compliance with the Safe Management Measures (SMM) on site, mandatory Rostered Routine Testing (RRT) and shortage in manpower. The situation is exacerbated by Singapore's tightened border measures recently.

2 To address the project delays and additional costs arising from the COVID-19 situation, the Government has earlier provided under the COVID-19 (Temporary Measures) Act (COTMA):

- a. Part 8A - a universal extension of time (EOT) of 122 days for delays that arose during the period of 7 April 2020 to 6 August 2020 for eligible construction contracts;
- b. Part 8B - co-sharing of additional non-manpower-related qualifying costs between contracting parties due to delays caused by COVID-19 during the period between 7 April 2020 and 31 Sept 2021 (both dates inclusive); and
- c. Part 8C - extend the project delivery date by a period not exceeding 122 days if delay is materially caused by Covid-19 event.

The Project Completion Period (PCP) and Additional Buyer's Stamp Duty (ABSD) completion timeline were also extended by a total 12 months¹ for qualifying residential developments as relief for Developers.

¹ The PCP and ABSD completion timeline were extended for 6 months initially and another 6 months subsequently. For more details, please refer to press release by MND:

(i) dated 6 May 2020: [https://www.mnd.gov.sg/newsroom/press-releases/view/temporary-relief-measures-for-property-sector-due-to-coronavirus-disease-2019-\(covid-19\)-pandemic](https://www.mnd.gov.sg/newsroom/press-releases/view/temporary-relief-measures-for-property-sector-due-to-coronavirus-disease-2019-(covid-19)-pandemic)

(ii) dated 8 October 2020: [https://www.mnd.gov.sg/newsroom/press-releases/view/additional-temporary-relief-measures-for-property-sector-due-to-coronavirus-disease-2019-\(covid-19\)-pandemic](https://www.mnd.gov.sg/newsroom/press-releases/view/additional-temporary-relief-measures-for-property-sector-due-to-coronavirus-disease-2019-(covid-19)-pandemic)

3 As part of our continuous effort to support the industry through this period, the Government has issued circulars on 27 April 2021 and 6 May 2021, providing further support to eligible existing public sector construction contracts which are still dealing with the effect of COVID-19 situation by:

- a. Granting a minimum 49-day EOT for delay during the period of 7 Aug 2020 to 31 Dec 2020. This is calculated by comparing the industry level certified progress payment on a year-on-year basis as proxy;
- b. Providing a base 0.1% of awarded contract sum for every month of delay for contracts up to \$100mil, as payment for co-sharing of prolongation costs (non-manpower related items) under Part 8B of COTMA, without the need to submit substantiation. Together with a common methodology to calculate the cost-sharing for contractor-owned equipment on ex-gratia basis, these measures help to ease the claim process and facilitate quicker disbursement to eligible contractors; and
- c. Providing ex-gratia payment to consultants for additional work scopes they have took on due to COVID-19, such as evaluating/certifying contractors' COVID-related claims for advance payment, prolongation costs and EOT.

4 As the private sector projects contribute a substantial portion of the construction output, we seek REDAS' strong support to encourage your member firms to lean forward and adopt similar support measures for their ongoing construction contracts. This will greatly help the supply chain, in particular the contractors and consultants, in mitigating the impact on cost and timeline arising from the COVID-19 situation. With the strong support of the private developers, the built environment sector as a whole can emerge stronger together.

5 REDAS member firms can refer to the following web links for more details on the additional support measures:

- Details on EOT relief (under Para 3a) and prolongation cost-sharing (under Para 3b) available at <https://go.gov.sg/bca-circular-simplified-claim-process-public-contracts>
- Details on ex-gratia payments to consultants (under Para 3c) available at <https://go.gov.sg/bca-circular-ex-gratia-payment-to-consultants-evaluate-certify-covid-claims>

6 For any clarifications on the above, REDAS may contact the following BCA colleagues:

Name	DID	Email
Mr Clive Poh	6804 4570	BCA_PPD@bca.gov.sg
Ms Lee Huixian	6804 4569	
Mr Wong Kwan Kit	6804 4520	

Thank you.

Yours faithfully

NEO CHOON KEONG
DEPUTY CHIEF EXECUTIVE OFFICER
INDUSTRY DEVELOPMENT
BUILDING AND CONSTRUCTION AUTHORITY

(Transmitted via email)