

27 April 2020

BCA-SIFMA JOINT ADVISORY ON RECOMMENDED ADJUSTMENTS TO BUILDING MAINTENANCE FOR FACILITIES MANAGEMENT DURING THE CIRCUIT BREAKER PERIOD

1. Due to the elevated circuit breaker measures, as well as other events in the region, the manpower resources in many Facilities Management (FM) companies have been affected.

2. We note that a substantial number of employees providing essential facilities maintenance and repair works in various buildings and amenities can no longer be deployed. Service buyers and FM providers will need to make adjustments to cope with the manpower tightness, while retaining a basic level of maintenance to critical equipment. Below are some recommendations to help service buyers and FM companies cope with the tighter manpower arising from the elevated circuit breaker measures.

Recommendations

3. **Adopt outcome-based performance approach.** During this period, service buyers and FM companies may agree on outcome-based indicators instead of relying on headcount-based contract provisions. This can then serve as the basis for the way ahead, as headcount-based provisions are outdated. At the same time, FM companies should endeavour to maintain a smaller team of essential workers to carry out basic maintenance and emergency repair works.

4. **Moderate service levels.** Due to lower occupancy rates in most buildings, service buyers are encouraged to adjust their existing maintenance regime to reduce the amount of non-essential, routine maintenance work. Service buyers and FM companies are also advised to:

- a. ***Re-negotiate a reasonable response time.*** Service buyers and FM companies should mutually agree to a response time that is practical, based on the available manpower. In doing so, it is important to ensure that payments remain fair.
- b. ***Exercise understanding and restraint in imposing liquidated damages.*** As the situation continues to evolve, inability to meet contractual terms may be outside of the FM company's control.

5. **Anticipate transformation ahead.** The COVID-19 pandemic has surfaced our FM ecosystems' over reliance on labour and insufficient investment in technology. As we ease out of the circuit breaker period, service buyers and FM companies should step up collectively in our FM industry transformation efforts:

- a. ***Scale up adoption of Smart FM solutions to minimise our reliance on manpower.*** Service buyers should explore awarding contracts that require the use of technology (such as Smart FM solutions). FM companies that wish to digitalise your business can tap on the Industry Digital Plan Productivity Solutions Grant. For more information, please visit <https://www.imda.gov.sg/for-industry/Digital-Solutions-Package-For-Companies>.
- b. ***Increase Proportion of local workforce.*** As the supply of the foreign workforce is uncertain, FM companies should consider hiring and retaining Singaporeans, matched against less labour intensive methods of service delivery. In the interim, FM companies that may need more manpower can tap on SGUnited initiatives. For more information, please visit <https://www.wsg.gov.sg/SGUnited.html>.

6. To cope with the tighter manpower arising from the elevated circuit breaker measures, service buyers and FM companies need to work together to ensure that our buildings are reasonably well maintained.

7. Please feel free to contact us via our online feedback form at <http://www.bca.gov.sg/feedbackform> or hotline at 1800-3425 222 if you need further clarifications.

Yours faithfully,



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