

23 Jan 2025

Dear Sir/Madam,

## W AND Z CLAUSES FOR USE WITH NEC4 ENGINEERING AND CONSTRUCTION CONTRACT (ECC) IN SINGAPORE

This circular informs the Built Environment (BE) sector on the release of W and Z clauses for use with the NEC4 Engineering and Construction Contract (ECC) in Singapore.

### Background

2 In April 2024, BCA, together with NEC<sup>1</sup>, have developed a set of additional contract clauses (Y(SG) clauses) to align NEC4 contract with Singapore's laws. NEC4 contract<sup>2</sup> is the latest edition of a suite of collaborative contracts for construction projects used internationally. The launch of the Y(SG) clauses marks another milestone in promoting collaborative contracting in Singapore's BE sector in line with the Built Environment Industry Transformation Map (BE ITM).

3 Since then, there has been good progress in the adoption of collaborative contracting amongst industry partners. Over 20 public and private projects plan to adopt or have adopted collaborative contracts<sup>3</sup> across industrial, institutional, healthcare, infrastructure, private residential and commercial projects.

### NEC4 ECC W and Z Clauses

4 To further localisation efforts and better support the implementation of NEC4 contracts in Singapore, BCA has developed additional W and Z clauses for use with NEC4. These incorporate local dispute resolution protocols, current government procurement rules, and established local industry practices.

- W clauses are dispute resolution options incorporating local dispute resolution protocols and practices.
- Z clauses are additional conditions of contract catering to project-specific requirements. BCA has developed a base set of Z clauses taking into consideration public sector procurement rules and local industry practices, such as Progressive Wage Mark requirements and suitable project response timelines.

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<sup>1</sup> NEC is a division under Thomas Telford Ltd, the commercial arm of the Institution of Civil Engineers (ICE), the owner and developer of NEC suite of contracts.

<sup>2</sup> For more information on NEC4 contract, please visit <https://www.neccontract.com/>

<sup>3</sup> Adoption of Public Sector Standard Conditions of Contract (PSSCOC) Collaborative Contracting Option Module and NEC4

5 These additional clauses, together with the Y(SG) clauses, have been made available on the BCA website for download and reference (<https://www1.bca.gov.sg/procurement/post-tender-stage/public-sector-standard-conditions-of-contract-psscoc>). Projects adopting the NEC4 ECC can use the W, Y(SG), and Z clauses wherever applicable.

### **Collaborative Contracting in Singapore**

6 BCA will continue to work with industry partners to facilitate the adoption of collaborative contracting in their projects as suitable opportunities arise. Public and private sectors developers are strongly encouraged to adopt collaborative contracting practices to achieve better project outcomes. To better support firms' training requirements, the BCA Academy, industry associations (e.g. the Society of Construction Law), Institutes of Higher Learning (e.g. Singapore University of Social Sciences), and training providers have introduced programmes to develop the relevant skills and competencies in collaborative contracting.

7 For further inquiries and support on collaborative contracting, firms may contact BCA directly via <https://www.bca.gov.sg/feedbackform/>.

Thank you.

Yours faithfully

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