

19 September 2022

To: CRS Registered Contractors and PSPC Listed Consultants

CIRCULAR ON CHANGES TO THE PRICE QUALITY METHOD (PQM) FRAMEWORK:

- A. INTRODUCTION OF THE SAFETY DISQUALIFICATION (SDQ) FRAMEWORK**
- B. REVISED SCORING METHOD FOR JOINT VENTURE (JV)**

This circular informs all contractors registered under the Contractors Registration System (CRS) and consultants registered under the Public Sector Panels of Consultants (PSPC) of the revised Price Quality Method (PQM) framework for construction tenders called on and after **1 October 2022**.

Introduction of the Safety Disqualification (SDQ) Framework for Construction Tenders

2 The Workplace Safety & Health 2028 Tripartite Strategy Committee (WSH2028 TSC) was set up by the Ministry of Manpower (MOM) in 2018 to chart out the WSH strategy for the next 10 years up to 2028, so that Singapore can be renowned for best practices in WSH. One of the recommendations by the WSH2028 TSC was to enable a business environment that demands good WSH performance. MOM has consulted government agencies and industry on the proposed Safety Disqualification (SDQ) Framework to improve the WSH performance of contractors. The SDQ Framework will set a base for the evaluation criteria on WSH performance that are used in all public sector construction tenders.

3 ***The proposed SDQ Framework will apply to all public sector construction tenders of \$3million and above.*** The SDQ Framework temporarily disqualifies contractors with poor WSH performance from participating in these tenders as a main contractor or first-level subcontractor¹.

4 ***Contractor meeting any of the following criteria will be disqualified from the tender.***

- a) **Entry into MOM's Business Under Surveillance programme (BUS)**
 - i. Has entered BUS within the 3 months prior to the Tender Closing Date²; or
 - ii. Has entered BUS after the Tender Closing Date, but before the Tender Award Date;

¹ Refers to firms appointed directly by the Main Contractor awarded the construction contract.

² Tender Closing Date refers to the first published tender closing date, regardless of subsequent extension.

- b) Barred by MOM from employing foreign employees due to the accumulation of 25 or more Demerit Points under MOM's Demerit Point System
- i. Barred under MOM's Demerit Point System at the Tender Closing Date; or
 - ii. Barred under MOM's Demerit Point System between the Tender Closing Date and Tender Award Date (both dates inclusive).

5 **For first-level subcontractors** [i.e. any firm appointed directly by the awarded tenderer (or Main Contractor)], **the firm will not be allowed to be appointed if it meets either of the disqualifying criteria:**

- a) Has entered MOM's Business Under Surveillance (BUS) programme within the 3 months prior to date of Letter of Award issued by the Main Contractor to its subcontractor; or
- b) Barred by MOM from employing foreign employees due to the accrual of 25 or more Demerit Points under MOM's Demerit Point System at the date of Letter of Award.

Revision in the Scoring Method for JVs under the PQM framework

6 In view of the increasing Joint Venture (JV) arrangement in higher value construction tenders, BCA will standardise the approach for scoring JV tenders. **The scoring for applicable Quality criteria will be by computing the scores according to the equity share of the JV partners.** This would better reflect the contribution of the JV partners in a project.

Clarification

7 Contractors can refer to the revised PQM framework for these changes. The revised PQM framework can be downloaded from <https://www1.bca.gov.sg/procurement/tender-stage/price-quality-method-pqm-framework>.

8 For clarification on SDQ Framework, please direct your queries to MOM (Link: <https://www.mom.gov.sg/contact-us>). For other queries regarding this Circular, please direct your queries to BCA (Link: <https://www.bca.gov.sg/feedbackform/>).

Thank you.

Evelyn Loh (Ms)
2nd Director, Foreign Manpower Management and Occupational Safety & Health Policy
Workplace Policy and Strategy Division
Ministry of Manpower

Ng Man Hon
Director, Procurement Policies Department
Building and Construction Authority

(Transmitted via email)