

18 March 2021

To: All PSPC-registered firms (sent via bcc)

CIRCULAR ON FACILITATING CONSULTANTS' CASHFLOW DUE TO LENGTHENED PROJECT DURATION

This circular informs all consultants on the guidelines for government agencies to exercise greater flexibility in facilitating consultants' cashflow due to lengthened project duration.

Background

2 The payment schedule for consultancy services is generally based on milestones pegged to consultants completing the stated scope of work. With the anticipated delay to construction projects, consultants' cashflow would correspondingly be affected as the payment milestones would be stretched over a longer period of time (e.g. part of their payment is based on the proportion of progress payment paid out to contractors during construction stage, or the design development may have been put on hold due to COVID-19).

Government Agencies to Exercise Greater Flexibility in Facilitating Consultants' Cashflow

3 In view of the above, we have sought government agencies' support to **exercise greater flexibility in granting interim payments to consultants, where possible, especially when the duration between payment milestones is long**. This would help to provide some cashflow support to consultants during the anticipated lengthened project duration.

4 For public projects, part of the payment for consultants at Construction Stage is typically based on equal monthly payments. **Notwithstanding that the project duration has been lengthened due to COVID-19, we have also sought government agencies' support not to reduce the original equal monthly payments or to recover any monthly payments already paid out to the consultants.**

Clarifications

5 For clarifications on this circular, please contact BCA at BCA_PPD@bca.gov.sg.

Thank you.

Yours faithfully

Ng Man Hon
Director, Procurement Policies Department
Building and Construction Authority
(Transmitted via email)