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To: All firms registered in the Facilities Management (FM) Registry

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## **LAUNCH OF NEC4 Y(SG), W AND Z CLAUSES FOR NEC4 FACILITIES MANAGEMENT CONTRACT (FMC) IN SINGAPORE**

This circular informs the Built Environment (BE) sector on the launch of NEC4 Y(SG), W and Z clauses for use with NEC4 Facilities Management Contract (FMC) in Singapore.

### **Background**

2 As part of Singapore's BE transformation efforts, BCA has been championing collaborative contracting as a key initiative to enhance project delivery. Building on the implementation of collaborative contracting in construction projects<sup>1</sup>, these efforts to promote collaboration are extended to the Facilities Management (FM) sector to foster stronger partnerships and enable more equitable risk allocation among contract parties.

3 Currently, the FM sector uses bespoke contract forms for procurement of FM services. The adoption of a standard form of collaborative contract also helps to streamline risk management and contract administration practices for contract parties. To facilitate the use of NEC4 FMC<sup>2</sup>, BCA has developed additional clauses, for use in pilot FM projects in Singapore.

### **NEC4 FMC Y(SG), W and Z clauses**

4 Originated from the United Kingdom, the NEC4 FM is a suite of collaborative contracts developed to support a range of FM contract approaches including Integrated FM (IFM) services and single supplier FM services (i.e standalone contract such as maintenance services). The features are:

- (a) Efficient contract administration: The contract provides structured processes and defined timelines for effective contract administration and service delivery management.
- (b) Better risk management: Includes an early warning process and allows issues to be identified and addressed promptly.

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<sup>1</sup> For more information on NEC4 ECC, please visit <https://www1.bca.gov.sg/procurement/post-tender-stage/public-sector-standard-conditions-of-contract-psscoc>

<sup>2</sup>The NEC4 FMC is the latest suite of facilities management contracts (FM contracts) developed by NEC in conjunction with the Institute of Workplace and Facilities Management (IWFM). For more info on NEC4 FMC, please visit [www.Neccontract.com/nec4fm](http://www.Neccontract.com/nec4fm)

(c) Enhanced collaboration: The contract emphasises mutual trust and cooperation between parties.

5 The set of additional clauses to align NEC4 FM with Singapore laws, local practices and requirements can be found in the links below:

<u>Y(SG) clauses</u> You can download the clauses here ( <a href="https://www.neccontract.com/resources/y-clauses">https://www.neccontract.com/resources/y-clauses</a> )	To align with Singapore laws
<u>W clauses</u> You can download the clauses here ( <a href="https://go.gov.sg/wclausesnec4fmc">https://go.gov.sg/wclausesnec4fmc</a> )	To incorporate local dispute resolution protocols and practices
<u>Z clauses</u> You can download the clauses here ( <a href="https://go.gov.sg/zclausesnec4fmc">https://go.gov.sg/zclausesnec4fmc</a> )	To cater to specific FM requirements and local industry practices. For example, Progressive Wage Mark requirements, requirements for cleaning, landscape and security services where applicable; and suitable project response timelines
<u>Amendments to contract data</u> ( <a href="https://go.gov.sg/contractdatanec4fmc">https://go.gov.sg/contractdatanec4fmc</a> )	Amendments to Contract Data template for use in conjunction with the Y, W and Z clauses

More information on the additional clauses have been made available on the BCA website (<https://go.gov.sg/fmprocurement>). Projects adopting the NEC4 FMC can use the Y(SG), W and Z clauses where applicable.

### **Raising competencies in Collaborative Contracting**

6 BCA will continue to work with industry partners to facilitate the adoption of collaborative contracting in their projects and support firms' training requirements to facilitate the adoption of NEC4 FMC in pilot projects.

7 For clarification on this circular, please direct your queries to <https://www.bca.gov.sg/feedbackform/>

Thank you.

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(Transmitted via email)