

6 May 2021

To: All Public Sector Panels of Consultants (PSPC) registered firms (sent via bcc)

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## **Circular on Ex-Gratia Payment to Consultants for Evaluating/Certifying Contractors' COVID-related Claims**

This circular informs all consultants registered in the PSPC that government agencies would be providing ex-gratia payments to consultants for services rendered for the evaluation of contractors' COVID-19 claims.

### Background

2 COVID-19 has impacted the industry in an unprecedented way. To provide support to the industry, the Government has rolled out various relief measures, such as ex-gratia Advance Payment (AP), co-sharing of Prolongation Costs (PC) and Extension of Time (EOT) for public sector construction contracts that were affected by the COVID-19 pandemic.

3 As the above-mentioned support measures were beyond the provisions of existing construction contracts, the corresponding services rendered by consultants to evaluate these claims were considered as additional services. As such, government agencies would on an ex-gratia basis, be remunerating consultants for the additional work scopes that they have taken on due to COVID-19. The following components are covered:

- a) Evaluation/Certification of COVID-related AP claims;
- b) Evaluation/Certification of COVID-related PC claims; and
- c) Evaluation/Certification of COVID-related EOT claims

4 Consultants are entitled to a one-off, ex-gratia payment<sup>1</sup> for the respective above-mentioned components as long as services have been rendered. Consultants which are involved in the scopes (typically the Superintending Officer (SO) and Quantity Surveyor (QS)) would be eligible for the remuneration. Nonetheless, government agencies would have the discretion to assess which other consultants (aside from SO & QS) have rendered the additional services. The payments are to be based on the quantum for each component as listed below. Consultants do not have to put up claims and government agencies may proceed to provide the ex-gratia payment upon the completion of services rendered. This approach aims to ease administration efforts of consultants to substantiate claims and to facilitate consultants' cashflow. Details of the payment quantum and recommended schedule for payment are as follows:

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<sup>1</sup> GST is not applicable to ex-gratia payment. Hence, consultants, if GST registered, must not issue tax invoices to government agencies for this ex-gratia payment.

Table 1: Payment Quantum

|      |               | Component   |   |  |
|------|---------------|---|---|--|
| Role | Project Value | (a) Evaluation / Certification of COVID-related AP Claims | (b) Evaluation / Certification of COVID-related PC Claims | (c) Evaluation / Certification of COVID-related EOT Claims |
| QS   | ≤\$100M       | \$1,000   | \$3,450   | NA   |
|      | >\$100M       | \$1,000   | \$6,150   | NA   |
| SO   | ≤\$100M       | \$1,000   | \$3,450   | \$2,300  |
|      | >\$100M       | \$1,000   | \$6,150   | \$4,100  |

Table 2: Schedule for Payment to Consultants

| S/N | Component  | Schedule of Disbursement   |
|-----|--|--|
| 1   | (a) Evaluation / Certification of COVID-related AP Claims  | <ul style="list-style-type: none"> <li>Payment to be made upon completion of <b>evaluation/certification</b> of AP claims (i.e. not when AP has been recovered).</li> </ul>  |
| 2   | (b) Evaluation / Certification of COVID-related PC Claims  | <ul style="list-style-type: none"> <li>Payment to be made in no more than 2 tranches. In the event where both tranches have been completed, government agencies are allowed the flexibility to pay for both tranches together.                             <ul style="list-style-type: none"> <li><u>Tranche 1 (50%)</u>: Upon completion of <b>evaluation/certification</b> of at least 1 PC claim for the <b>period of 7 Apr 2020 – 6 Aug 2020</b></li> <li><u>Tranche 2 (50%)</u>: Upon completion of <b>evaluation/certification</b> of at least 1 PC claim for the <b>period from 7 Aug 2020 onwards</b></li> </ul> </li> </ul> |
| 3   | (c) Evaluation / Certification of COVID-related EOT Claims | <ul style="list-style-type: none"> <li>Payment to be made upon completion of <b>evaluation/certification</b> of EOT claims for delay arising from COVID-19, excluding the 122 days EOT under COTMA Part 8A and the common EOT of 49 days for delay due to loss of productivity from 7 Aug 2020 – 31 Dec 2020 under para 5 of the 'Circular on Simplified Claim Process for Extension of Time and Prolongation Costs in Public Sector Construction Contracts due to COVID-19 Events' issued on 27 April 2021.</li> </ul>  |

## Others & Clarifications

5 BCA would like to remind all employers to remain extra vigilant during this period and take the following steps:

- a) Adhere to safe management measures
- b) Ensure employees go for Rostered Routine Testing (RRT)
- c) Ensure that employees who are feeling unwell see the doctor immediately

6 For clarifications, please contact BCA at [www.bca.gov.sg/feedbackform/](http://www.bca.gov.sg/feedbackform/). Please visit BCA's COVID-19 webpage (<https://www1.bca.gov.sg/COVID-19>) and subscribe to BCA's Telegram channel (<https://t.me/BCASingapore>) for latest updates.

Thank you.

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(Transmitted via email)