

3 May 2021
(updated 7 July 2021)
(updated 10 November 2021)

FAQs on the Simplified Claim Process for Extension of Time and Prolongation Costs in Public Sector Construction Contracts due to COVID-19 Events (also see BCA circular dated 27 Apr 2021, 7 July 2021 and 10 November 2021)

Q1. What is the period in which Government Procuring Entities' ("GPEs") will co-share a base 0.1% of awarded contract sum per month of delay for eligible contracts up to \$100mil (or, the "base 0.1%") and the base \$100k per month of delay for eligible contract above \$100mil (or, the "base \$100k"), for cost sharing of non-manpower related items (i.e. qualifying costs) under Part 8B of COTMA?

A1. Part 8B of the COVID-19 (Temporary Measures) Act ["COTMA"] entitles contractors to claim specified qualifying costs, incurred between 7 April 2020 and 31 December 2021 (both dates inclusive), from their customers should they be or will be unable to complete the construction works by the completion date. The simplified process where GPEs co-share, a base 0.1% of awarded contract sum per month of delay for eligible contracts up to \$100mil or a base \$100k per month for eligible contracts above \$100mil, such costs will apply to the same prescribed period from 7 April 2020 to 31 December 2021 (both dates inclusive).

Q2. The co-sharing of base 0.1%, base \$100k and extension of time (EOT) of 49-days and 34-days as mentioned in the circular dated 27 April 2021, 7 July 2021 and 10 November 2021 apply to public sector projects, does it also apply to private sector projects?

A2. The cost sharing of base 0.1% or base \$100k for prolongation cost and the EOT of 49-days and 34-days are ex-gratia initiatives that applies to public sector contracts. Public sector contracts refer to those contracts awarded by the Government Procuring Entities (GPEs) such as Ministries, Statutory Boards and Organs of State. These measures sets out the common accepted methodologies in estimating the EOT and

COTMA Part 8B cost sharing and could apply for private sector contracts and subcontracts as well. BCA encourages project parties to adopt the same methodologies to expedite the assessment of EOT and COTMA Part 8B cost sharing.

Q3. What are the eligibility criteria for contractors to be entitled for the co-sharing of base 0.1% and base \$100k as mentioned in the circular dated 27 April 2021 and 7 July 2021 respectively?

A3. The same eligibility criteria which apply under COTMA Part 8B will apply for the co-sharing of base 0.1% and base \$100k. Notwithstanding COTMA Part 8B only applies to contracts entered into before 25 March 2020, the base 0.1% and base \$100k co-sharing will also apply to public sector construction contracts which were entered into on or after 25 March 2020 but with tenders closed on or before 1 June 2020. For more details on COTMA Part 8B, please refer to the guide at <https://go.gov.sg/bca-guide-cotma-8a-8b>.

Q4. What are the eligibility criteria for contractors to be granted the 49-days and 34-days extension of time (EOT) as mentioned in the circular dated 27 April 2021 and 10 November 2021?

A4. The 49-days and 34-days extension of time (EOT) applies for public sector construction contracts: (i) in which the tender was closed on or before 1 June 2020; (ii) that was not terminated by the Employer on or before 7 August 2020 under Clause 31 of PSSCOC (or equivalent clause under the contract); and (iii) that was not certified to be substantially completed on or before 7 August 2020 under Clause 17 of PSSCOC (or equivalent clause under the contract). Such contracts refer to construction contracts involving works such as building, civil engineering works and addition & alteration (A&A) works. Supply and maintenance term contracts generally **are not** eligible for this EOT as these contracts are usually shorter duration without any EOT provision. Also, contractors can request for a longer EOT by providing substantiation based on their project specific circumstances.

Q5. What is the application or submission process required for contractors to receive payment by GPEs' co-sharing of base 0.1% or base \$100k as mentioned in the circular dated 27 April 2021 and 7 July 2021 respectively?

A5. For eligible contracts, contractors can calculate the co-sharing amount based on 0.1% awarded contract sum (for eligible contracts up to \$100mil) or \$100k (for eligible contract above \$100mil) per month of delay (substantiated with total months of EOT granted) and include such amount in their next progress payment claim. GPEs will assess and certify accordingly via their payment response.

Q6. What is the application or submission process required for contractors to be granted by GPEs on the 49-days extension of time (EOT) from 7 August 2020 to 31 December 2020 and 34-days EOT from 1 January 2021 to 30 June 2021, as mentioned in the circular dated 27 April 2021 and 10 November 2021 respectively?

A6. For eligible contracts, GPEs will proceed to grant the 49-days and 34-days EOT for COVID-related delay occurring between 7 August 2020 and 30 June 2021, on an ex-gratia basis. There is no need for contractors to apply or submit any claims. Contractors which wish to seek EOT beyond 49+34 days for the same period can continue to submit their EOT application with the necessary substantiation (for the total number of EOT) to GPEs for assessment.