



JTC awards Singapore's first public sector New Engineering Contract 4 collaborative contract for Jurong Innovation District

Singapore, 12 November 2025 – JTC has awarded a collaborative contract for infrastructure works at CleanTech Park in Jurong Innovation District (JID) to Eng Lam Contractors Co (Pte) Ltd. This contract adopts the New Engineering Contract 4 (NEC4), making it the first public sector project in Singapore to implement this internationally recognised collaborative contracting framework.

Addressing Industry Challenges through NEC4

2. One of the main challenges the construction sector has been facing is risk management, including cost overruns and project delays. Traditional contracts allocate risks and rewards separately, often leading to inefficiencies and disputes. NEC4 aims to address these issues by encouraging collaboration and allowing risks and cost savings to be shared more equitably among contracted parties.

3. Originating from the United Kingdom, NEC4 contracts have been successfully adopted in other regions such as Hong Kong, where projects have achieved overall time and cost savings, and contracting parties have also evolved to be more collaborative and cordial. In Singapore, the Building and Construction Authority (BCA) started looking at NEC4 in 2024 with NEC, and local adaptations were made to the contracts to align them with Singapore's legal and industry requirements. Prior to this, other forms of collaborative contracting under the Public Sector Standard Conditions of Contract (PSSCOC) have been piloted in other projects.

NEC4 for Collaboration and Risk Management

4. Unlike traditional contracts, which often allocate risks and rewards separately, NEC4 emphasises on collaboration and mutual trust. It incorporates three key features:

- a) Pain-Gain Share: NEC4 allows for a target cost approach where project parties share cost savings or overruns as they occur, rather than relying on a fixed lump sum contract. This promotes transparency and shared incentive for all parties to work together. It also drives innovation and teamwork to resolve project challenges.

- b) Early Warning: NEC4 includes an early warning system for potential issues to be identified at an early stage, enabling proactive action to resolve them before they escalate. This approach enhances risk management, helping projects to stay on track and within budget.
- c) Holistic Dispute Management: NEC4 promotes openness and transparency through clear communication. It provides platforms for early identification of potential issues, allowing parties to collaborate on resolutions before they escalate.

NEC4 Piloted for Infrastructure Works in JID

5. This NEC4 contract will be piloted by JTC through an infrastructure project at CleanTech Park in JID. The project involves extending CleanTech Loop from The Potter's Garden (formerly Jurong Eco Garden) to the upcoming MRT station and building an elevated walkway linking the station to the northern part of CleanTech Park. This project will improve access to public transport and enhance connectivity for commuters and road users. The works are scheduled for completion in the second half of 2027.

6. JTC will assess the effectiveness of NEC4 in managing risks, controlling costs, and identifying potential time savings through this pilot. In collaboration with BCA, lessons learned and insights from this pilot will be shared with other public sector agencies to promote more adoption of NEC4 for future public projects.

Promoting Industry Transformation through NEC4

7. Nelson Liew, Group Director, New Estates, JTC said: "NEC4 emphasises mutual trust and collaboration between the contracting parties. The tender award gives construction stakeholders the opportunity to experience collaborative contracting first-hand, providing feedback to refine the model and contribute as first-movers to progressive industry transformation. JTC will share our learnings on the use with the sector to ease their collaborative contracting and NEC4 journey."

8. Ang Lian Aik, Group Director, Business Development Group, Building and Construction Authority said: "This is a significant milestone in our efforts to champion the adoption of collaborative contracting. Such an approach results in better project outcomes, such as building trust, strengthening communication and facilitating a more balanced share of risks among contracting parties. We've been working in close partnership with JTC, who has stepped forward as the first public agency to implement a NEC4 project in Singapore. It will demonstrate how NEC4 and collaborative contracting can help to address the current industry challenges and serve as a valuable reference for wider implementation in the BE sector."

9. Rekha Thawrani OBE, Global Director of NEC Contracts said: “We are delighted to see JTC pioneering the use of NEC4 in Singapore's public sector. This landmark project demonstrates the transformative potential of collaborative contracting in delivering complex infrastructure projects. The NEC4 framework's emphasis on early warning, transparency, and shared problem-solving creates the foundation for better project outcomes and stronger relationships between all parties. Singapore's thoughtful approach to adapting NEC4 with localised clauses while maintaining the spirit of collaboration sets an excellent example for the region. We look forward to supporting JTC and BCA as they lead this important shift toward more collaborative and efficient project delivery in the public sector.”

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About JTC

JTC is a government agency under Singapore's Ministry of Trade and Industry. We master plan, develop and manage sustainable, green and smart industrial estates such as one-north, Seletar Aerospace Park, Jurong Innovation District, and Punggol Digital District. Our estates attract new investment and foster collaborative ecosystems that strengthen Singapore's position as an advanced manufacturing hub. We also drive innovation in the Built Environment sector by piloting new construction technologies. For more information on JTC, visit www.jtc.gov.sg.

About BCA

The Building and Construction Authority (BCA) champions a safe, sustainable, and liveable built environment for Singapore. As a leader in the sector, BCA is dedicated to driving industry transformation and setting rigorous standards in building safety, quality, and environmental sustainability. By advancing innovation, digitalisation, and the development of a skilled workforce, BCA fosters a dynamic industry that is ready to meet the evolving needs of the nation and build a resilient and progressive built environment for all. For more information, visit www.bca.gov.sg.

About NEC

NEC Contracts, published by Thomas Telford Ltd (the commercial arm of the Institution of Civil Engineers), is an end-to-end portfolio of plain-language contracts for works, services and supply that has been adopted and recommended by governments and industry worldwide. Its collaborative, risk-managed model replaces adversarial procurement, facilitates the implementation of sound project management and procurement principles and defines legal relationships. For more information visit <http://www.neccontract.com>.

Annex: Factsheet on NEC4 Contract from BCA

1. The NEC4 contract is designed to facilitate and encourage good management of risks through mutual trust and cooperation of project parties. The target cost payment option allows project parties to share the cost of risks and savings made, and this can encourage them to resolve issues and explore more productive solutions together.
2. This contract is not new and has been adopted in various jurisdictions. Hong Kong government carried out their first NEC pilot in 2009 and has been extending its use for various public sector construction projects. Preliminary analysis shows that NEC4 contract can help improve performance in terms of cost and time management, including large and complicated projects delivered on time and within budget. Based on a review in 2021 by the Hong Kong government¹, NEC projects are found to achieve 10% saving in time and 2% saving in costs, compared to those procured under their standard General Conditions of Contract (GCC) forms.

Benefits

3. Aligned with collaborative contracting, NEC4 contract offers these potential benefits to project parties:
 - a) Time and cost control: The contract includes provisions for effective time and cost management, helping developers to better control project schedules and budgets.
 - b) Better risk management: The early warning system stipulated in the contract allows issues to be identified early so that project parties can avoid or mitigate the risks by dealing with them early.
 - c) Efficient project management: The contract emphasises efficient project management through effective communication, clear response timelines and encourage project parties to settle claims quickly. This can lead to streamlined processes and reduced delays for all project parties, resulting in earlier project delivery.

¹ More information on the 2021 review by Hong Kong government is at <https://asia-southeast1-menlo-view.menlosecurity.com/https://www.neccontract.com/news/hong-kong-government-review-confirms-performance-benefits-of-nec-contracts>

Localised Clauses

4. NEC4 contract is a form of construction contract used internationally. BCA had worked with NEC to develop a set of Y clauses to align the contract with Singapore's law, which comprise amendments for complying with local laws such as the Security of Payment Act (SOPA).
5. Firms adopting NEC4 contract may wish to incorporate this set of Y clauses as part of their contracts. The Y clauses will be made publicly available on NEC website (<https://www.neccontract.com/Singapore-Y-Clauses>) on 1 May 2024.