

Enhancements to the Standard Consultancy Agreement (SCA)

1. The SCA was developed in 2004 to be used for public sector construction consultancy services, such as Architecture, Civil & Structural Engineering, Mechanical & Electrical Engineering, Quantity Surveying and Project Management.
2. The SCA is the standard conditions of contract between the Government Procurement Entities (GPEs) and their consultants. The SCA covers scope of service, obligations & liabilities, payment and settlement of disputes, among others. As a standard contract, it enhances familiarity of contractual terms amongst GPEs and consultants, reduces tendering efforts and promotes greater efficiency in contract administration.
3. Taking in lessons learnt during the COVID-19 pandemic where project parties would need to collaborate for the greater good of their projects, and as part of the drive towards collaborative contracting, BCA has worked with relevant Trade Association and Chambers (i.e., Singapore Institute of Architects, Association of Consulting Engineers Singapore, Institution of Engineers Singapore, Singapore Institute of Surveyors and Valuers and Society of Project Managers), various consultancy firms, Ministry of Finance and Government Procurement Entities (GPEs) to identify common pain points and develop a suite of proposed enhancements to the SCA. This review is part of our regular effort to ensure that our procurement approach remains fair and progressive.
4. The SCA enhancements can be broadly categorised as:
 - a. clearer definition of scope of services,
 - b. maintain fair and timely remuneration; and
 - c. more balanced allocation of risk.

No.	Outcomes	Examples
1	Clearer definition of scope of services	a. GPEs will provide clarity on the scope of services to be performed by the consultants.
2	Maintain fair and timely remuneration	a. Consultants can request for fee adjustments for additional services required by agencies during a project.

		<p>b. GPEs will adopt refreshed man-hour rates to compute the fee adjustments for additional works.</p>
3	More balanced allocation of risk	<p>a. GPEs will share the costs for significant construction delays, where the delays are due to issues beyond the consultant’s control.</p>

5. Details of the SCA enhancements will be announced when they are ready.

Enhancements to Quality Fee Method (QFM) Framework

1. The Quality Fee Method (QFM) is a structured tender evaluation framework, based on fee and non-fee attributes, for GPEs to evaluate and determine the best value-for-money tender proposals for construction-related consultancy services. It applies to public sector consultancy tenders (i.e., architectural, engineering, quantity surveying and project management tenders) with estimated procurement values of above S\$90,000.
2. Under the QFM, there is a range of weightages assigned to the attributes which translates into quantitative scores during the assessment. This enables the GPEs to select and award the tender with the highest combined QFM score (i.e. best offer).

Enhancements to the QFM Framework

3. To place greater emphasis on quality in consultancy tenders and further encourage sustainable bidding behaviour, BCA will be enhancing the existing QFM Framework:

No.	Enhancements	Details
1	Enhance framework for suspension of poor performing firms (from 1 April 2025)	GPEs assess consultants involved in public sector projects on their performance every six months. A performance score out of 100 points will be given. Firms will be temporarily suspended from tendering for public sector projects for three months if their half-yearly performance score is below 50 points, which translates to a "Poor" performance.
2	Increase the number of projects shortlisted by merit (from 1 March 2024)	In QFM, in which up to 5 firms will be shortlisted for the final tender, GPEs can shortlist interested firms either by balloting (i.e., random shortlist of tenderers that fulfil eligibility criteria) or selection by merit (i.e., shortlist based on evaluation of tenderers' quality scores), depending on the estimated project value. To place more emphasis on quality, more projects will go through selection by merit (i.e. require projects above S\$50m in value to do so instead of the current \$105m). In addition, GPEs with projects S\$50mil and below in value can have the option to shortlist by merit too.

3	Enhance differentiation in quality scores (from 1 March 2024)	Fee continues to be a key determinant for tender awards even though quality is given a higher weightage under QFM (70%-90%). To better differentiate quality and create a wider spread among tenderers' quality scores, BCA will require GPEs to assign the maximum quality score to the proposal(s) with the highest score ¹ and assign the rest of the tenderers quality scores based on how they fare compared to the top score(s) ² .
4	[Pilot] A revised fee-score approach for all QFM tenders with estimated construction project cost S\$50mil and below (from 1 March 2024)	<p>Under the current QFM framework, all bids that are 80% or below of the average fee will receive the maximum fee score.</p> <p>To further encourage sustainable bidding behaviour, the fee scoring approach will be adjusted. Some key differences are as follows:</p> <ul style="list-style-type: none"> i. The range of bids that attain the maximum fee score will be narrowed to 90% to 100% (both inclusive) of the median fee only. This aims to encourage sustainable bidding. ii. Bids below 70% of the median among all tenderers will be disqualified. This aims to send a strong message to deter aggressive bidding behaviour.

4. Firms will be informed of the enhancements via a circular in January 2024 and subsequent industry briefings.

Past enhancements

5. BCA had previously enhanced the Framework to increase emphasis in quality and discourage aggressive bidding behaviour in the consultancy sector:

2018:

- a. introducing a minimum 10% weightage for consultants' past performance as a mandatory criterion

¹ This refers to the total points that GPEs accorded to tenderers based on a set of quality criteria used for evaluating tenderers' capabilities and competencies.

² For example, if the best quality tenderer receives a quality score of 60 and the second quality tenderer receives a score of 54 out of a maximum quality score of 70, the top scorer will receive the adjusted maximum quality score of 70 and the second will proportionately receive a score of 63.

- b. suspending poor performers from the Public Sector Panels of Consultants (PSPC).

2020:

- a. Removing low outlier bids from the computation of the average fee when deriving the fee score.

6. These enhancements had helped reduce the percentage of tenders awarded to low outlier bids³ from 48% in 2017 to 23% in 2022. Notwithstanding this, there is a need to further enhance QFM to discourage firms from submitting low outlier bids which could impact the long-term sustainability of the consultancy sector such as its ability to attract and retain talents.

³ Bids that are more than 20% below the average of tenderers' fee.