

WELCOME SPEECH BY DR JOHN KEUNG, CHIEF EXECUTIVE OFFICER OF BUILDING AND CONSTRUCTION AUTHORITY AT THE SEMINAR ON “ADVANTAGES OF EARLY CONTRACTOR INVOLVEMENT (ECI) PROCUREMENT APPROACH” ON 12 APRIL 2013 (FRIDAY) AT BCA ACADEMY FUNCTION HALL

Ladies and gentlemen,

1. A very good morning to all of you and welcome to this seminar on the “Advantages of Early Contractor Involvement Procurement Approach”, specially organised for you by BCA.

Construction Productivity Journey Thus Far

2. We have come a long way in charting the productivity journey of the built environment sector. In recent years especially since the launch of our Construction Productivity Roadmap in 2010, we have been making concerted efforts with the industry and public sector agencies, to steer towards the vision of a built environment sector that is highly integrated and technologically advanced, supported by a skilled and competent workforce.

3. With the public sector leading the growth in infrastructure projects in the coming years, this is an excellent opportunity for the built environment sector to take bold and determined steps to reduce our reliance on foreign workers, to embrace labour-saving methods and technologies, and to raise productivity of all firms, large and small. Indeed, we must evolve into a more efficient industry, and we must do it now.

Improving Productivity

4. We have been encouraging the industry to switch to technology and to re-engineer its processes. I am sure many of our industry firms here have tapped on the \$250 million Construction Productivity and Capability Fund since its roll out in 2010. So far, BCA has committed more than one third of the total fund, and we are optimistic that more firms will embark on the productivity journey and tap on the incentives.

5. Earlier this year, we enhanced the incentive schemes with a stronger boost in funding for investments on technology adoption and work process improvements. This will benefit all firms, big and small. Moving forward, BCA will also continue to roll out new programmes and schemes to help the small and medium-sized firms in the industry. If you are interested to know more about our schemes, you could enquire from any of my BCA colleagues later today.

6. To facilitate the adoption of labour efficient designs and construction methods along the entire value chain, we have introduced mandatory requirements for buildability and constructability for projects. As announced earlier this year, we will be raising the minimum requirements for new projects come July this year, and further in July next year. Upstream, we would like the industry to come out with designs that are more buildable, more labour-efficient and easier to build. Downstream, we would like the contractors to use more advanced technology and construction methods that would improve labour efficiency.

Early Contractor Involvement

7. But these are not enough to effect the transformation. Based on the feedback we gathered from the industry, we need to go further upstream. For example, at the procurement stage, we need to achieve a higher degree of integration among the stakeholders. One way is to promote the Early Contractor Involvement procurement model, or ECI in short. The ECI approach utilises the contractors’ experience and understanding of the construction process and bring it upfront in the design process to facilitate the adoption of labour efficient designs and construction methods.

8. The approach also paves way for a greater degree of collaboration and integration within project teams and spurs them to get the design right as early as possible. It allows scope for innovation and the early inclusion of labour efficient technology and methods, which may not be feasible if traditional procurement approaches were used. Clearly, such improvements upstream are critical for the industry, if we are serious about reducing our reliance on foreign workers in the coming years.

9. The ECI approach is not new. It has been practiced widely in other countries like Australia, US, UK and Hong Kong, to name a few.

10. In Singapore, over the last decade, ECI has been adopted on various scales in private projects. For the public sector, however, we only have a limited number of such showcase projects. With much potential benefits to be reaped, it is a pity that ECI has not been practised widely here.

11. It is on this note that we want to encourage the industry to explore the potential of ECI more seriously and in greater depth. We certainly need forward-thinking industry practitioners like you to lead the way in this. We need to embrace ECI more, both in public and private sector projects.

12. Therefore today, we have specially invited experienced and passionate local and overseas speakers to share with us their valuable experiences in the adoption of ECI.

13. I would like to thank all our invited speakers for specially taking time off their busy schedules to join us here today. I hope that they will trigger us into re-thinking our fundamental perspectives in our procurement and contracting approaches.

Conclusion

14. I am optimistic that with all our initiatives and strong construction demand ahead, there is a great potential for us to transform the sector together, to change the fundamental way we think and operate, and in doing so raise the productivity levels of the sector. Only with a concerted effort would our sector be able to rally around the challenge and achieve sustained growth in a tighter labour market.

15. With that, I wish you all a pleasant and fruitful day at this seminar. Thank you very much.