

Subject: [CLARIFICATION] CIRCULAR TO CONSULTANTS : EX-GRATIA CO-SHARING OF PROLONGATION COSTS DUE TO COVID-19

Message Classification: *Restricted*

CIRCULAR

Date : 30 Sep 2020

To : HDB Consultants

Dear Sir/Madam

[CLARIFICATION] CIRCULAR TO CONSULTANTS : EX-GRATIA CO-SHARING OF PROLONGATION COSTS DUE TO COVID-19

1. We refer to our earlier Circular dated 7 Sep 2020 to Consultants on Ex-Gratia Co-Sharing Of Prolongation Costs Due To Covid-19.
2. BCA has issued a Circular dated 25 Sep 2020 on Treatment of Claims Arising from COVID 19 in Public Sector Construction Contracts to all firms registered in BCA's Contractors Registration System and Public Sector Panels of Consultants. Please see Attachment.
3. We would like to inform the Consultants that with regards to the processing of the claims for EOT and the ex-gratia co-sharing of prolongation costs due to COVID-19, the treatment shall be in alignment to BCA Circular dated 25 Sep 2020; namely:
 - a. SO Rep is to **grant a default 4-month EOT** to contractors for the common period of delay from start of CB on 7 Apr 2020 until the date when all dormitories are announced to be cleared on 6 Aug 2020 unless the project has not stopped during the circuit breaker or the project had restarted substantially on site before 6 Aug 2020. For projects that have valid reasons not to grant 4 months EOT, SO Rep is to adjust the EOT to be granted accordingly and inform HDB for record purpose. The SO Rep may continue to assess any other EOT claims for any delay that occurred after 6 Aug 2020, in accordance with the contract;
 - b. SO Rep is to **waive the requirement under Clause 14.3(1)**, of the Public Sector Standard Conditions of Contract, that require the contractors to submit the notice and/or substantiate the EOT claims when granting this common 4-month EOT.; and

- c. HDB's co-sharing of prolongation cost will only be subjected to a single overall cap of 9 months.
4. Upon receipt of the claim submitted by the Contractor, Consultants are to expeditiously process the claim including the following:
 - a. is to ensure the claim submitted are in order;
 - b. is to ensure itemised breakdown is accompanied with relevant invoices and/or quotation for premiums; and
 - c. is to ensure the amount for HDB to co-share for each month does not exceed 0.2% of the contract sum.
5. After checking, the Consultant would recommend the amount for HDB to co-share the prolongation cost. As this is an ex-gratia payment, there is no need for Consultant to issue Payment Certificate.
6. For Consultants **immediate** follow up, please.
7. For any clarification, please feel free to contact my colleagues Ms Jeanette Lee at 6490 2112 or Ms Sharon Ang at 6490 2003.

Yours faithfully,

WONG WEE YOO
GROUP DIRECTOR
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