

6 September 2024

Dear Sir/Madam

## **CIRCULAR ON THE REVISED STANDARD CONSULTANCY AGREEMENT (SCA)**

This circular informs all firms registered on the Public Sector Panels of Consultants (PSPC) regarding the revised Standard Consultancy Agreement (SCA) effective from 1 November 2024.

### **Background**

2 The SCA is a standard contract form used when government agencies procure construction-related consultancy services in Architecture, Civil & Structural Engineering, Mechanical & Electrical Engineering, Quantity Surveying and Project Management. The SCA comprises the standard conditions of contract between government agencies and their consultants, covering the scope of service, obligations and liabilities, procedures for payment and settlement of disputes, among others.

3 Under the Built Environment (BE) Industry Transformation Map (ITM), we seek to promote greater collaboration and value chain transformation to realise a world-class and resilient BE sector. To promote more progressive contracting practices, BCA has worked with relevant Trade Association and Chambers<sup>1</sup>, major consultancy firms, the Ministry of Finance and government agencies to identify common pain points and propose enhancements to the SCA.

4 As Mr Desmond Lee, Minister for National Development, announced at the International Built Environment Week on 4 September 2024, the enhanced SCA will be ready for implementation for procurement of construction-related consultancy services from 1 November 2024 onwards.

### **Key revisions to the SCA**

5 The three intended outcomes for this round of SCA enhancements are as follows.

- (a) Provide clearer definition of scope of services so that agencies and consultants are aligned upfront in their understanding of the consultants' roles and responsibilities;
- (b) Maintain fair and timely remuneration, commensurate with the scope of work provided; and

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<sup>1</sup> These include the Singapore Institute of Architects (SIA), Association of Consulting Engineers Singapore (ACES), Institution of Engineers Singapore (IES), Singapore Institute of Surveyors and Valuers (SISV) and Society of Project Managers (SPM).

(c) Provide a more balanced allocation of risk, especially to address unanticipated events.

S/N	Intended Outcomes	Enhancements
1	Clearer definition of scope of services	<ul style="list-style-type: none"> <li>a. Government agencies are advised to state their requirements (e.g. the expected number of stakeholder engagements) upfront and more clearly.</li> <li>b. Government agencies would highlight non-standard services beyond the base set of services, so that consultants may better gauge the work required and price them in accordingly.</li> </ul>
2	Maintain fair and timely remuneration	<ul style="list-style-type: none"> <li>a. Consultants can request fee adjustments for additional services required during the course of a project. Updated rates are also provided to more fairly compute fee adjustments for additional works.</li> <li>b. Consultants' fees to be unchanged if Government agencies make omission variations that reduce the final construction cost.</li> <li>c. Government agencies would make regular monthly payments during the pre-construction stages to better alleviate consultants' cashflow pressures.</li> <li>d. Government agencies would pay regulatory submission fees directly, instead of having consultants pay and be reimbursed later.</li> </ul>
3	More balanced allocation of risk	<ul style="list-style-type: none"> <li>a. Government agencies would share the costs for significant construction delays, where the delays are due to issues beyond the consultants' control.</li> <li>b. Government agencies would have the option of requiring consultants to purchase a minimum amount of professional indemnity insurance, while simultaneously limiting a consultant's contractual liabilities for the project.</li> </ul>

6 Please **refer to the updated version of the SCA published in the BCA website** (<https://www1.bca.gov.sg/procurement/post-tender-stage/standard-consultancy-agreement>) for the latest amendments.

## Implementation

7 The revised SCA applies to all procurement of public sector construction consultancy services (for both quotations and tenders) **called on and after 1 November 2024**.

## Clarifications

8 Please direct your queries to <https://www.bca.gov.sg/feedbackform/> for any clarifications.

Thank you.

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Building and Construction Authority

(Transmitted via email)