

30 Oct 2024

To: GVT-List F – Please distribute to officers involved in the procurement of construction services

Cc: PDG, CCP members

(Sent via BCC)

---

## **INTRODUCTION OF ENVIRONMENTAL SUSTAINABILITY CRITERIA IN QUALITY COMPONENT OF THE PRICE QUALITY METHOD (PQM) FRAMEWORK**

This advisory note informs all Government Procuring Entities (GPEs) on the introduction of environmental sustainability criteria in the Quality component of the Price Quality Method (PQM) framework for the procurement of Construction Services. This shall take effect for Construction Services tenders with estimated construction cost (without contingency sum) above S\$50 million, called on and after **31 Jan 2025**.

### **Background**

2 Under the current GreenGov.SG requirements, all new and existing public buildings undergoing major retrofitting must achieve Green Mark Platinum Super Low Energy with Maintainability Badge or equivalent to decarbonise building operations. As the public sector enhances its green procurement initiatives, we are expanding our focus beyond building operations to include sustainability considerations in the evaluation of construction tenders.

3 Since 2022, BCA has worked with the Ministry of Sustainability and the Environment (MSE) and the Ministry of Finance (MOF) to engage GPEs and industry stakeholders to develop suggested environmental sustainability criteria. JTC and LTA further took the lead by piloting these criteria in several of their construction tenders.

4 At the Committee of Supply (COS) Debate 2023, MOF and MSE announced that up to 5% of tender evaluation points will be set aside for environmental sustainability considerations in larger construction tenders.

### **Introduction of environmental sustainability criteria under PQM for construction tenders**

5 GPEs shall allocate up to 5% of the overall PQM score for environmental sustainability criteria in tender evaluation. The environmental sustainability criteria shall form part of the Quality component of the PQM framework, similar to other mandatory criteria such as safety and past performance. This requirement is applicable to public sector construction tenders

under the BCA Construction Workheads (CW01 & CW02) for projects with estimated construction cost > \$50mil.

6 To better nudge contractors to start planning and adopting sustainable practices beyond current requirements (i.e. Green Mark Platinum Super Low Energy with Maintainability Badge or equivalent), GPEs are to allocate up to 5% for environmental sustainability criteria. GPEs may set a lower percentage than 5% in projects e.g. if it is assessed that the impact on cost would be disproportionately high when compared to the additional environmental benefits proposed by the contractor.

7 BCA has prepared a list of suggested environmental sustainability criteria and their weightages (refer to Annex A). These suggested evaluation criteria are intended to provide additional recognition to tenderers that have adopted sustainable practices at both company and project levels. In addition, BCA has also developed a construction green procurement guide to provide additional reference for GPEs in implementing green procurement (See para 10).

8 GPEs have the flexibility to allocate the weightage to the environmental sustainability criteria from the weightage currently assigned to the Quality or Price Component. Where the points are allocated from the Price component, the P:Q ratio will need to be adjusted to increase the weightage of the Quality component to accommodate environmental sustainability criteria. An example of allocating the points is shown in Table 1.

**Table 1: Allocation of Points to Environmental Sustainability Criteria**

Assumptions:

- a) Price: Quality weightage used = 70%:30%
- b) 5 % of PQM score allocated to environmental sustainability attributes

<b>Components</b>	<b>Current Weightages</b>	<b><u>Option 1:</u> Allocate Weightage from Price Component</b>	<b><u>Option 2:</u> Allocate Weightage from Quality Component</b>
Price	70%	65%	70%
Quality	30%	35%  (Including: <ul style="list-style-type: none"> <li>• 5% for safety-related attribute</li> <li>• 3% for past performance</li> <li>• 22% GPEs' own quality attribute</li> <li>• 5% for environmental sustainability attribute</li> </ul>	30%  (Including: <ul style="list-style-type: none"> <li>• 5% for safety-related attribute</li> <li>• 3% for past performance</li> <li>• 17% GPEs' own quality attribute</li> <li>• 5% for environmental sustainability attribute</li> </ul>

## **Submission of Tender Evaluation Details**

9 MOF, MSE and BCA will work closely with GPEs to collect the tender evaluation details. This will be done using the prevailing “Submission of PQM tender evaluation details” Excel template that BCA sends to the GPEs. Data collected will be used to monitor the impact of including the environmental sustainability criteria.

## **Clarification**

10 The revised PQM Framework and construction green procurement guide can be downloaded from the GeBIZ Intranet > Building and Construction > PQM Framework (Link: [https://ngg.intranet.gebiz.gov.sg/ent/bca/bca\\_main.xhtml](https://ngg.intranet.gebiz.gov.sg/ent/bca/bca_main.xhtml)).

11 For clarification regarding this Advisory Note, please direct your queries to BCA (Link: <https://www.bca.gov.sg/feedbackform/>).

Thank you.

Er. Ng Man Hon  
Director, Procurement Policies Department  
Building and Construction Authority

Dr. Edward Ang  
Director, Green Building Policy and Technology Department  
Building and Construction Authority

(Transmitted via email)

## Annex A - Suggested Sustainability Criteria and Weightage

Table A1 shows a list of suggested environmental sustainability criteria and their weightages. GPEs have the flexibility to adjust the criteria and weightage to suit specific project needs.

**Table A1**

Suggested Sustainability Criteria	Suggested Weightage (%)
<p><b><u>Climate-related disclosure</u></b> Tenderer has published climate-related disclosures in accordance with international standards.</p>	2%
<p><b><u>Decarbonisation of construction processes</u></b> Tenderer has committed to adopt practices that decarbonize the construction work processes such as electrification of construction equipment that are conventionally fuel-powered and has developed a plan to implement them for the project.</p>	2%
<p><b><u>Green certifications and qualifications</u></b></p> <p>a) Any of the ISO certifications below:</p> <p>    i. ISO14001: Environmental Management Systems; or</p> <p>    ii. ISO50001: Energy Management Systems; or</p> <p>    iii. ISO46001: Water Efficiency Management Systems</p> <p>b) One or more individuals certified GMAP or GMAAP and who are assigned to the project.</p> <p>c) Green and Gracious Builder Scheme (GGBS) Merit and above</p>	1%
<p><b><u>Innovation</u></b> Contractors may propose sustainable construction practices complete with analysis on the environmental benefits and emission impact, for GPE's evaluation. Examples of such practices are:</p> <ul style="list-style-type: none"> <li>• Use of low-carbon materials above and beyond specifications</li> <li>• Use of renewable energy to support site operations</li> <li>• Use of low-carbon transportation options to site</li> </ul>	Bonus 1% (See Note)
<b>Total</b>	<b>Max 5%</b>

**Note:**

- 1) GPEs can award bonus points for innovation proposals submitted by the tenderers. Nevertheless, the maximum score for the sustainability criteria is capped at 5% of the PQM score. An example is shown below:

Sustainability Criteria	Tenderer A's Score (as % of overall PQM)	Tenderer B's Score (as % of overall PQM)
Climate-related disclosure	2.0	2.0
Decarbonisation of construction processes	1.0	2.0
Green certifications and qualifications	0.7	1.0
Innovation	1.0	1.0
<b>Total Score (as % of PQM)</b>	<b>4.7</b>	<b>5.0</b> <b>(score is capped at 5.0 although the total score is 6.0)</b>