

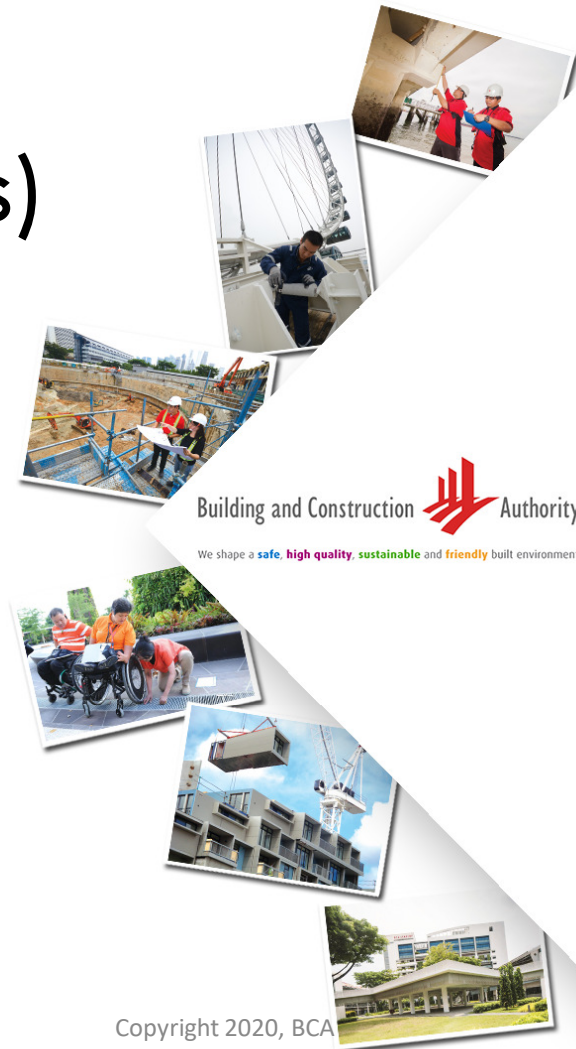
# COVID-19 (Temporary Measures) (Amendments No.3) Act: Additional Relief Measures for Built Environment Sector

Presented By:

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Building & Construction Authority



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# AGENDA

- Background on COVID-19 (Temporary Measures) Act (“COTMA”)
- Amendment No. 3 to the COTMA
  - 1) **Part 8A** – Extension of Time for Construction Contracts
  - 2) **Part 8B** – Temporary Measures for Cost-Sharing in Construction Contracts
- Frequently Asked Questions

# Background

## Impact of COVID-19

Many individuals and businesses have been unable to perform contractual obligations because of COVID-19 and the resulting safe management measures

E.g. construction projects delayed due to circuit breakers and subsequent workers availability

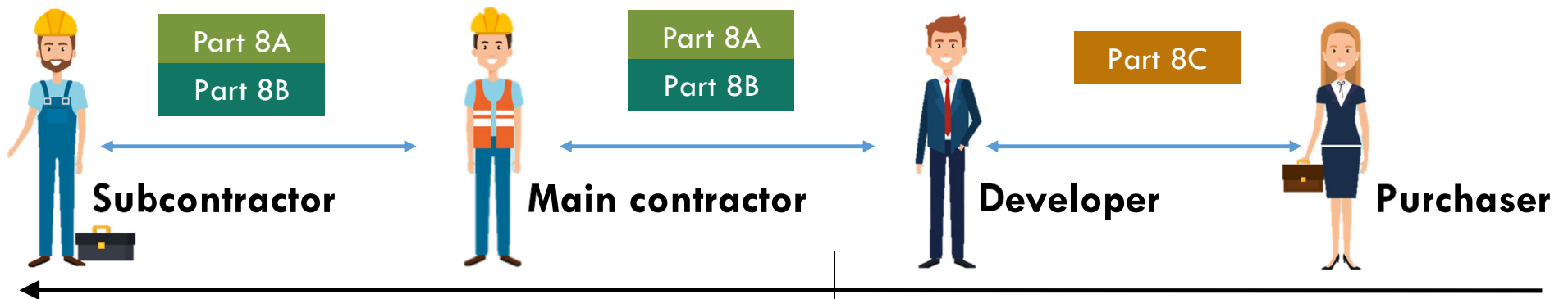
## Purpose of COTMA

- ✓ Provides temporary reliefs for those who are unable to perform certain types of contracts because of COVID-19
- ✓ Ensures that no single stakeholder bears an undue share of the burden imposed by COVID-19

**Note: COTMA is a legislation → applies to both public and private sector projects**



## BE Stakeholders supported under Amendment No. 3



### Part 8A

Universal Extension of Time (EOT) of 122 days for construction contracts

### Part 8B

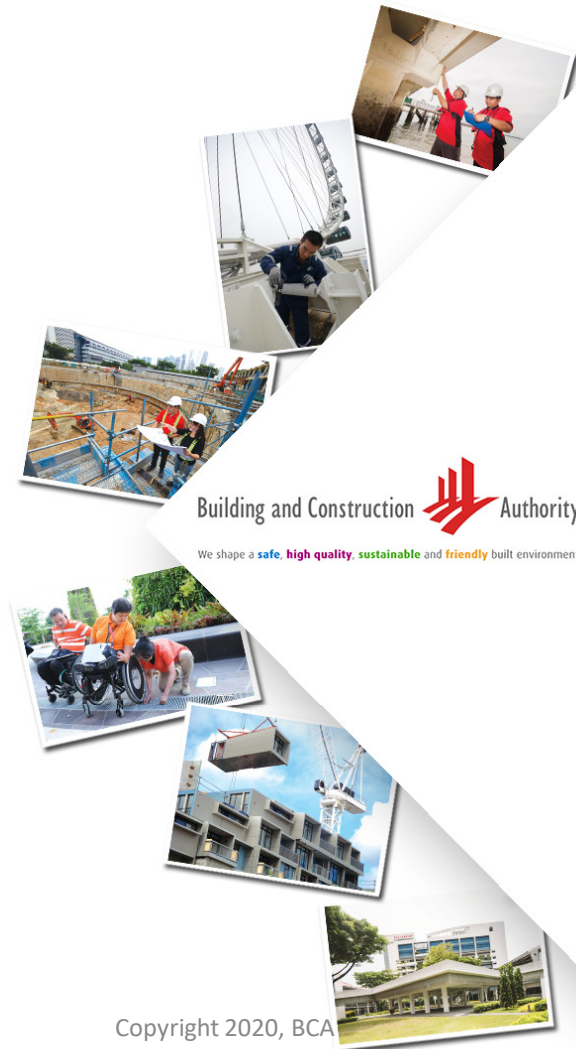
Cost-sharing of non-manpower-related qualifying costs

### Part 8C

Extension to date of delivery of vacant possession in agreements for the sale and purchase of housing, commercial and industrial property

Note: Part 8C is not in operation yet, details will be announced by MND/URA

# Part 8A – Extension of Time for Construction Contracts



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## Rationale for Universal EOT

- While most construction contracts have EOT provisions, COVID-19 pandemic is unprecedented and treatment of EOT requests vary across projects
- Substantiating and assessing EOT requests could involve disputes among contracting parties and administrators, which is not helpful when the industry is looking to recover
- Relief measure will give contractors more time to complete projects, allow consistency in treatment across all affected construction contracts and provide certainty & assurance to the industry as they restart their projects
- Initiative already established for public sector projects in Sep 2020, extended to all construction contracts through Part 8A



## What contract does it apply to?

All construction works defined under the Building & Construction Industry Security of Payment Act (“SOP Act”) in construction contracts (including subcontracts):

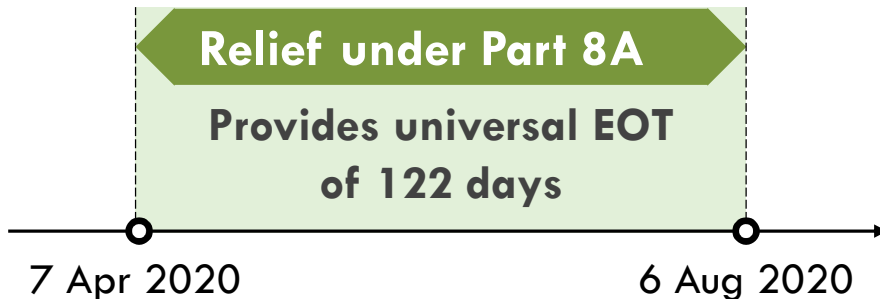
- ✓ entered into before 25 Mar 2020
- ✓ where construction works have not been certified to be completed as at 7 Apr 2020
- ✓ remains in force on 2 Nov 2020
- × Except: contracts where construction works have been carried out between 20 Apr and 30 Jun 2020
- × Not related to: Date of BCA’s approval to Restart, site possession date





## How does it work?

### Part 8A



- Contract completion date is extended automatically
- **No application / request or filing of Notice is required**
- No supplementary agreement is required

### Need longer EOT?

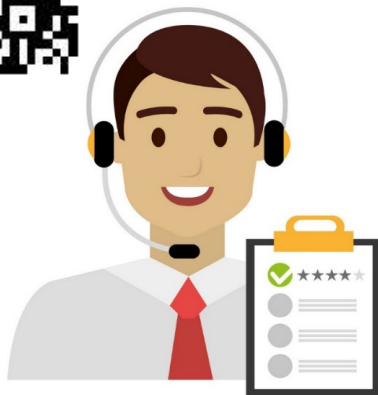
- To rely on the existing contract provisions and amicable arrangement with client
- Serve a **Notification for Relief as a defence under COTMA Part 2 Section 6** → to disregard any liquidated damages (LDs) payable due to delays sustained from 1 Feb 2020 to 31 Mar 2021 <http://www.mlaw.gov.sg/covid19-relief>



## Self-Checklist for Eligibility

Available under item 2.2  
of the Part 8A and Part  
8B Guide

<https://go.gov.sg/bca-guide-cotma-8a-8b>



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### Basic Checklist on Eligibility Criteria under Part 8A:

- ☐ This is a construction contract where one party undertakes to carry out 'construction works' (as defined in section 3(1) of the Building and Construction Industry Security of Payment Act ("SOPA")) for another party;
- ☐ This contract was entered into before 25 March 2020 (excluding construction contracts that were renewed other than automatically on or after 25 March 2020);
- ☐ There were construction works that were not certified to be completed under the construction contracts as at 7 April 2020;
- ☐ This contract remained in force on 2 November 2020;
- ☐ NO construction works were carried out at any time between 20 April 2020 and 30 June 2020 (both dates inclusive);
- ☐ NO proceedings before a court or arbitration have commenced before 2 November 2020 in relation to a failure to comply with the completion date ("Proceedings"); and
- ☐ NO judgment, award, compromise or settlement has been made before 2 November 2020 in the course or as a result of the Proceedings.

*Note: This checklist is designed to assist the user in making a quick assessment as to whether the case is one to which Part 8A applies. It does not go into details and does not cover all situations.*

## Example - Delay > 122 days

*refer to Example 2 in Part 8A and Part 8B Guide*

**Scenario:** Party D engaged Party C to carry out construction works

- Contract was entered into on 15 Jan 2019 & expected to complete on 31 Dec 2020
- As at 7 Apr 2020, construction works were not certified to be completed (still 60% remaining)
- As at 2 Nov 2020, contract was in force
- Construction works resumed on 7 Aug 2020 and certified completed on 30 Sep 2020

Contract  
meets  
criteria for  
Part 8A  
relief

**Due to COVID-19, Party C suffered:**

- 122 days of delay from 7 Apr 2020 to 6 Aug 2020 due to Circuit Breaker and dormitory clearance;
- 15 days of delay due to delayed shipments from China before 7 Apr 2020; and
- 30 days of delay due to lower productivity resulting from SMM implemented at site after construction work resumed

### Applicable relief under Part 8A

Automatic universal EOT of 122 days for delay between 7 Apr 2020 and 6 Aug 2020

### Further EOT under existing contract

Party C will need to request for additional EOT under the contract for the remaining 15 days (before 7 Apr 2020) and 30 days (after 6 Aug 2020), in accordance with contract requirements

## Example – Project in Defects Liability Period

*refer to Example 4 in Part 8A and Part 8B Guide*

**Scenario:** Party H engaged Party G to carry out construction works

- Contract was entered into on 15 Jan 2019 & expected to complete on 30 Mar 2020
- As at 7 Apr 2020, construction works were not certified to be completed (still 10% remaining)
- Construction works resumed on 7 Aug 2020 and works certified completed on 30 Sep 2020
- As at 2 Nov 2020, contract was in force and entered into the Defects Liability / Rectification Period

Contract  
meets  
criteria for  
Part 8A  
relief

**Due to COVID-19, Party G suffered:**

- 122 days of delay from 7 Apr 2020 to 6 Aug 2020 due to Circuit Breaker and dormitory clearance;
- Party G was not given EOT under the contract and did not apply for relief from liquidated damages (LD) under Part 2 of the Act; and
- Party H imposed LD for 184 days based on the delay from 30 Mar 2020 to 30 Sept 2020

### Applicable relief under Part 8A

Contract completion extended by 122 days until 30 Jul 2020

As such, LD to be paid by Party G to Party H would be reduced by 122 days, from 184 days to 62 days

# Part 8B – Temporary Measures for Cost-sharing in Construction Contracts



## Rationale for Cost-Sharing

### Part 8B

- Contractors not entitled to claim for additional costs incurred arising from delay of works attributed to unforeseen events such as COVID-19 under most common contracts e.g. additional equipment rental costs due to delays arising from COVID-19
- Relief measure will require contractual parties to co-share the additional costs arising from COVID-19, which will help ensure that no stakeholder in the construction value chain bears an undue share of the burden caused by the pandemic
- Initiative already established for public sector projects in June 2020, extended to all construction contracts through Part 8B



## What contract does it apply to?

All construction works (public and private sector contracts including subcontracts) defined under the SOP Act in construction contracts:

- ✓ entered into before 25 Mar 2020
- ✓ where construction works have not been certified to be completed as at 7 Apr 2020
- ✓ remains in force on 2 Nov 2020
- × Except: where the party engaging the contractor is an **individual** (e.g. residential or renovation contracts), unless the individual is acting as a sole proprietor



## How does it work?



### Contract to show inability thru claim template:

- (i) Contractor is unable to complete any of those construction works by the original completion date (i.e. extension under Part 8A not considered);
- (ii) Contractor's inability is to a material extent caused by a COVID-19 event; and
- (iii) As a result of contractor's inability, he incurred qualifying cost between 7 Apr 2020 and 31 Mar 2021

i.e. inability can be determined via different methods e.g. critical path analysis. EOT certified is not a pre-requisite.

**Quantum:** 50% of qualifying costs incurred, capped at 0.2% of contract sum per calendar month and total 1.8% of contract sum



## How does it work?

### Qualifying costs:



- Contractors are advised to include relevant information and documents with claim
- Refer to Section 39D(9) and common template at <https://go.gov.sg/bca-template-cotma-8a-8b> for further examples of qualifying costs

**Costs not claimable:** Manpower, acceleration, compliance to regulations e.g. SMM, other govt reliefs, relief under Part 2A or 8 of COTMA

### Others:

- SOP Act Part III applies, i.e. enforceable as a payment claim under SOPA
- No requirement for separate agreement to effect Part 8B reliefs
- Goods and Services Tax (GST) is not applicable

## Example – Types of Qualifying Cost

*refer to Example 7 in Part 8A and Part 8B Guide*

**Scenario:** Developer (Party K) engaged main contractor (Party J) to carry out construction works

- Contract was entered into on 15 Jul 2019 & expected to complete on 31 Dec 2020
- As at 7 Apr 2020, construction works were not certified to be completed (still 40% remaining)
- As at 2 Nov 2020, contract was in force

Contract meets criteria for  
Part 8B relief

### Due to COVID-19:

- Party J was unable to complete the construction works by the completion date and suffered 122 days of delay from 7 Apr 2020 to 6 Aug 2020 due to Circuit Breaker and dormitory clearance
- Construction works resumed on 7 Aug 2020 but >50% of workers placed on 14-days SHN and Party J was unable to perform a substantial part of the works from 16 Aug 2020 to 29 Aug 2020  
→ unable to complete the works by completion date
- Party J incurred rental costs for the tower crane and will be required to extend the insurance coverage for the project in due course. Party J also needed to pay qualifying costs of \$X to their subcontractors.

### ← Applicable relief under Part 8B

Party J is entitled to claim from Party K for:

- qualifying costs incurred
- \$0.5X of qualifying costs paid to its subcontractors

arising from inability to perform works from 7 Apr 2020 to 6 Aug 2020, and the 14-day period after resuming work in Aug 2020

## Example – Interaction with Part 8 relief

*refer to Example 8 in Part 8A and Part 8B Guide*

**Scenario:** Main contractor (Party J) engaged subcontractor (Party I) to carry out construction works

- Contract was entered into on 15 Jan 2020 & expected to complete on 15 Nov 2020
- As at 7 Apr 2020, construction works were not certified to be completed (still 60% remaining)
- As at 2 Nov 2020, contract was in force

Contract meets criteria for Part 8B relief

**Due to COVID-19,** Party I was unable to complete the construction works by the completion date and suffered:

- 122 days of delay from 7 Apr 2020 to 6 Aug 2020 due to Circuit Breaker and dormitory clearance
- 15 days of delay due to an inability to perform work at the same rate in the month of Aug 2020 due to SMM implemented at site, evident from the EOT granted by the Architect
- From 7 Apr 2020 to Aug 2020, Party I incurred costs for the rental of scissors lift meant for the construction works (a total of \$10,000 over the period from 7 April 2020 to end Aug)
- Party I obtained relief under Part 8 for an Assessor to reduce the rental costs charged by the supplier of the scissors lift to \$4,000

### Applicable relief under Part 8B

Party I is entitled to claim from Party J:

- in the sum of the reduced equipment rental cost (i.e. \$4,000 after deducting the relief obtained under Part 8)
- Party J would be obliged to co-share \$2,000

arising from inability from 7 Apr 2020 to 6 Aug 2020, plus 15 days after restarting work in Aug 2020

## Template for relief under Part 8B



Part 8B

Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E
1	TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")				
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to				
3	Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.				
	Act ref	Project Info	Specified period 1	Specified period 2	Specified period 3
4	Requirement under the Act		7 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020
5	Unable to complete construction works by original completion date				
6	Sect 39D(1)(a) Party B is unable to complete construction works by completion date (the completion date refers to original completion date before applying the extension granted under Part 8A)	Input on eligibility ("Latest estimated completion date" has to be later than "Original contract completion date")	Eligible		
7		Original contract completion date	15-May-22		
8		Latest estimated completion date	30-Sep-22		
9	Qualifying Costs				
10	Sect 39D(1)(b) B's inability is to a material extent caused by a COVID-19 event	Start date of the period in which B's inability to complete construction works by the completion date is to a material extent caused by a COVID-19 event	7-Apr-20	1-May-20	1-Jun-20

## Template for relief under Part 8B



Part 8B

Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E	F
1	<b>TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")</b>					
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to ensure					
3	Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.					
4	<b>Act ref</b>	<b>Project Info</b>	<b>Specified period 1</b>	<b>Specified period 2</b>	<b>Specified period 3</b>	<b>Specified period 4</b>
5	Requirement under the Act		7 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020	1 Jul 2020 to 31 Jul 2020
9	<b>Qualifying Costs</b>					
10	<b>Sect 39D(1)(b)</b> B's inability is to a material extent caused by a COVID-19 event	<b>Start date</b> of the period in which B's inability to complete construction works by the completion date is to a material extent caused by a COVID-19 event	7-Apr-20	1-May-20	1-Jun-20	
11		<b>End date</b> of the period in which B's inability to complete construction works by the completion date is to a material extent caused by a COVID-19 event	30-Apr-20	31-May-20	30-Jun-20	
		Brief description to substantiate that the inability is to a material extent caused by a COVID-19 event	- Suspension of activities at workplaces due to COVID-19 from 7 Apr until the date when all dormitories are announced - Works only started with sufficient workers on site for structural works from 16 Aug 2020 onwards			

## Template for relief under Part 8B



Part 8B

Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E	F
1	<b>TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")</b>					
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to ens					
3	Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.					
	<b>Act ref</b>	<b>Project Info</b>	<b>Specified period 1</b>	<b>Specified period 2</b>	<b>Specified period 3</b>	<b>Specified period</b>
4	Requirement under the Act		7 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020	1 Jul 2020 to 31 J
13		Substantiating documents can be attached as Appendix with this claim	-	-	Refer to BCA approval obtained in Appendix xx	Refer to revised and critical path Appendix x.
14		SO/Architect/Client's assessment on start and end date of the period in which B's inability to complete construction works by the completion date is to a material extent caused by a COVID-19 event	Contractor has demonstrated inability to complete construction works for the specified period from 7 Apr 2020 to 2 Jun 2020 to a material extent caused by a COVID-19 event			
15	<b>Sect 39D(1) (3)</b> qualifying costs must be pro-rated for each of those specified periods	Qualifying cost incurred within the specified period indicated in rows 10 and 11 needs to be pro-rated	From 07 Apr 2020 to 30 Apr 2020	From 01 May 2020 to 31 May 2020	From 01 Jun 2020 to 30 Jun 2020	From 01-Jul-2020
	<b>Sect 39D (9) (a)</b>	<b>Rental cost</b>	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$



## Template for relief under Part 8B



Part 8B

Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E	F
1	<b>TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")</b>					
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to ens					
3	Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.					
	<b>Act ref</b>	<b>Project Info</b>	<b>Specified period 1</b>	<b>Specified period 2</b>	<b>Specified period 3</b>	<b>Specified period 4</b>
4	Requirement under the Act		7 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020	1 Jul 2020 to 31 Jul 2020
5	<b>Sect 39D (9) (a)</b>	Rental cost	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
6	rent or hire-purchase instalment for any plant or equipment required	(Any items used in project that require contractor to pay rental. Include but not limited to steel plate, formworks, piling rig, crane, working platform etc.)				
7		Running cost of plant/equipment (e.g. diesel if in use)		\$ 50,000.00	\$ 50,000.00	\$
8		Maintenance cost (e.g. spare parts and repair)		\$ 50,000.00	\$ 50,000.00	\$
9		Contractor can add on as necessary				
20	<b>Sect 39D (9) (b)</b>	Vector and pest control	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
21	costs for maintaining the	Site security		\$ 50,000.00	\$ 50,000.00	\$
22	construction site	Utilities (e.g. utilities bills)		\$ 50,000.00	\$ 50,000.00	\$

## Template for relief under Part 8B



Part 8B

Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E	F
1	<b>TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")</b>					
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to ens					
3	Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.					
4	<b>Act ref</b>	<b>Project Info</b>	<b>Specified period 1</b>	<b>Specified period 2</b>	<b>Specified period 3</b>	<b>Specified period</b>
4	Requirement under the Act		7 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020	1 Jul 2020 to 31 J
20	Sect 39D (9) (b) costs for maintaining the construction site	Vector and pest control	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
21		Site security		\$ 50,000.00	\$ 50,000.00	\$
22		Utilities (e.g. utilities bills)		\$ 50,000.00	\$ 50,000.00	\$
23		Housekeeping		\$ 50,000.00	\$ 50,000.00	\$
24		Works carried out to prepare for CB (temporary works done to ensure the safety of site i.e. additional supports, back filling, lean concrete etc)		\$ 50,000.00	\$ 50,000.00	\$
25	Sect 39D (9) (c) costs to extend the validity period of any insurance obtained and any	Site Office rental (after deducting other govt rental rebates)		\$ 50,000.00	\$ 50,000.00	\$
26		Contractor can add on as necessary				
27		Extension of project insurance	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
		Extension of performance bonds	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$



## Template for relief under Part 8B



Part 8B

Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E	F
1	<b>TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")</b>					
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to ens					
3	Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.					
4	<b>Act ref</b>	<b>Project Info</b>	<b>Specified period 1</b>	<b>Specified period 2</b>	<b>Specified period 3</b>	<b>Specified period</b>
	Requirement under the Act		7 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020	1 Jul 2020 to 31 J
27	Sect 39D (9) (c) costs to extend the validity period of any insurance obtained and any performance bond	Extension of project insurance	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
28		Extension of performance bonds	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
29	Sect 39D (9) (d) rent or other fee for the use of premises in Singapore to store any materials or equipment	Storage costs in Singapore (for materials, equipment and fitting out works)	\$ 5,000.00	\$ 50,000.00	\$ 50,000.00	\$
30		Temporary Occupation Licence (TOL) land rental (after deducting other govt rental rebates)		\$ 50,000.00	\$ 50,000.00	\$
31	Sect 39D (1) the lesser of the following amounts for each specified period (d) 50% of the total qualifying costs	<b>Total qualifying costs</b>	\$ 25,000.00	\$ 650,000.00	\$ 650,000.00	\$
32		50% of the total qualifying costs	\$ 12,500.00	\$ 325,000.00	\$ 325,000.00	\$
33		Contract sum	\$ 100,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$
34		0.2% of the contract sum	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$
	Eligibility	<b>Qualifying costs</b>				



Please refer to <https://go.gov.sg/bca-template-cotma-8a-8b>

	A	B	C	D	E	F
1	<b>TEMPLATE - Claim for co-sharing of qualifying costs in construction contracts under Part 8B of COVID-19 (Temporary Measures) Act 2020 ("Act")</b>					
2	Disclaimer: The purpose of this template is to facilitate parties to submit and assess claims under Part 8B of the COVID-19 (Temporary Measures) Act. While every effort has been made to ensure the accuracy of the information, the user should consult a professional for legal advice. Inputs in blue fonts below are examples of inputs for illustration only. Users are free to amend/adjust based on their claims.					
3						
4	<b>Act ref</b>	<b>Project Info</b>	<b>Specified period 1</b>	<b>Specified period 2</b>	<b>Specified period 3</b>	<b>Specified period 4</b>
5	Requirement under the Act		1 Apr 2020 to 30 Apr 2020	1 May 2020 to 31 May 2020	1 Jun 2020 to 30 Jun 2020	1 Jul 2020 to 31 Jul 2020
6	<b>Sect 39D (1)</b> the lesser of the	<b>Total qualifying costs</b>	\$ 25,000.00	\$ 650,000.00	\$ 650,000.00	\$ 650,000.00
7	following amounts for each	50% of the total qualifying costs	\$ 12,500.00	\$ 325,000.00	\$ 325,000.00	\$ 325,000.00
8	specified period	Contract sum	\$ 100,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00
9	(d) 50% of the total qualifying costs	0.2% of the contract sum	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
10	for anything done for	<b>Qualifying costs for each specified</b>	\$ 12,500.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
11	or provided to or enjoyed by B in	<b>period</b>				
12	the specified period;	<b>Total Qualifying costs</b>	\$ 850,833.33			
13	(e) 0.2% of the contract sum.					
14	<b>Sect 39D (2)</b> The total amount that B	1.8% of the contract sum	\$ 1,800,000.00			
15	may claim under subsection (1)	<b>Total qualifying costs that B is entitled</b>	\$ 850,833.33			
16	must not exceed 1.8% of the	<b>to</b>				
17	contract sum					
18						
19						
20						

# KEY TAKEAWAYS

## Part 8A

## Part 8B

COTMA applies to both public and private sector projects and subcontracts

1

### Eligibility

- ✓ entered into before 25 Mar 2020
- ✓ where contraction works have not been certified to be completed as at 7 Apr 2020
- ✓ remains in force on 2 Nov 2020

2

### Exception

Works were carried out between 20 Apr and 30 Jun 2020

Customer (client) is an individual

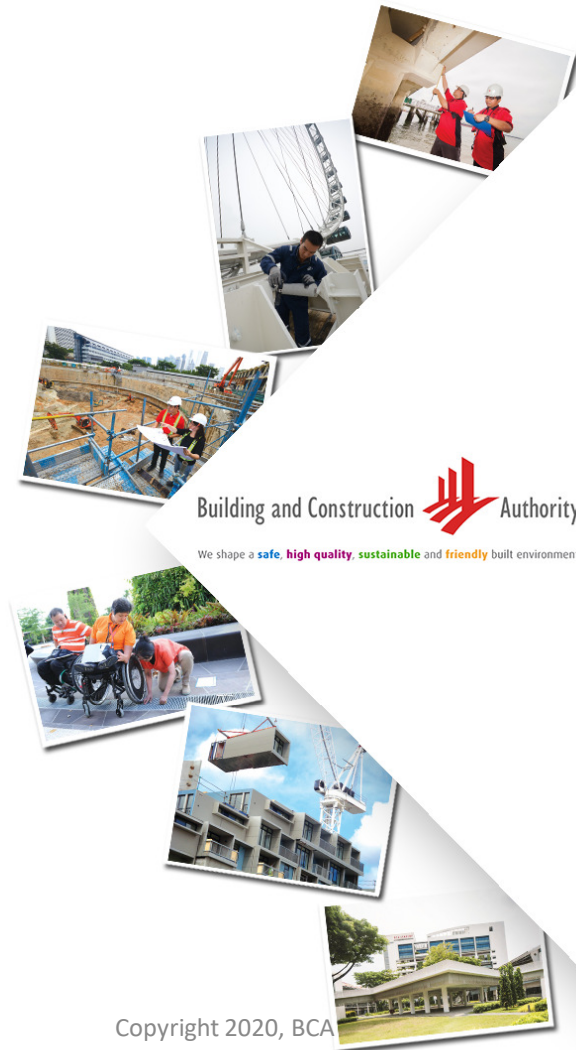
3

### Relief

Extended completion date of 122 days will be treated as the new completion date

Contractors need to make payment claims on the 'qualifying costs' to the customer (clients)

# Frequently Asked Questions



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# Frequently asked questions

Can the contractor claim additional preliminaries for the extended time provided under Part 8A of the COTMA?

Relief under Part 8A of the COTMA is a statutory, and not a contractual, relief. The relief merely allows the contractor to:

- (i) treat the extended completion date as the contractual completion date; and
- (ii) extinguish any liability for the failure to complete.

Please check with the relevant stakeholders with regards to your other entitlements under the contract.

# Frequently asked questions

Do the reliefs apply if the project is in the Defects Liability Period / Rectification Period?

The reliefs will apply to construction contracts that remain in force on 2 November 2020, including constructions contracts under which construction works has been certified as completed and other contractual obligations are pending performance (such as contracts still within the rectification or defects liability period).

If the contract is not in force on 2 November 2020 (e.g. contracts having been terminated), the reliefs will not apply. This is to avoid affecting contracts that have been concluded.

# Frequently asked questions

Do the reliefs apply if contractor and customer (client) privately agreed on a settlement agreement?

Private settlements will not restrict the application of the reliefs. For example, if a developer has provided a 1-month EOT as private settlement (not arising from arbitral or court proceedings), the statutory relief of 122 days of EOT (less the EOT that had already been agreed) will still apply to the construction contract concerned notwithstanding the earlier private settlement.

# REFERENCES

<https://www1.bca.gov.sg/COVID-19/support-measures-for-built-environment-sector-firms/>

- Part 8A & 8B Guide, Part 8B Template
- Briefing slides



For further queries, please use our online feedback form '<https://www.bca.gov.sg/feedbackform/>'



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# THANK YOU