

Collaborative contracting the way forward as BCA seeks to build alliances, streamline processes

New initiatives include a digital platform to reduce the time taken for projects to obtain approval from government agencies

By **Jessie Lim**
ljessie@sph.com.sg

A NEW digital platform has been launched, which will streamline the regulatory approval process for construction projects and strengthen coordination within the built environment industry.

Called CoreNet X, the platform was soft-launched on Dec 18, and is expected to result in a reduction of around 20 per cent in the time taken for projects to obtain approval from government agencies.

Prior to this, project parties such as developers and architects prepared and submitted their plans separately to different agencies concurrently. Plans approved by one government agency may conflict with requirements of another agency, or result in conflicts between project parties that would need to be resolved during construction.

Projects submitted under CoreNet X, however, will require project teams to come together and submit one building information model (BIM). Agencies will then collectively review the submission and provide consolidated feedback to the project team.

Building and Construction Authority (BCA) chief executive offi-

cer Kelvin Wong said: "All the different regulatory agencies will be interacting with the project parties on this one common source of truth."

For Wong, who became CEO of BCA in November 2020, enhancing collaboration in the built environment sector has been a key priority.

In the last two to three years, BCA has identified companies that are progressive and willing to work together, to form alliances under the Growth and Transformation Scheme.

The S\$90 million scheme helps to bring developers, builders and consultants together to collaborate across multiple projects, build stronger relationships and develop capabilities for the longer term.

Low margins and short visibility of the project pipeline do not always provide conducive conditions for contractors to embark on medium to long-term technology investments, noted Wong.

He said: "This is why we are advocating an alliance approach. This is so that within each alliance, the parties will agree on what are the medium to long-term capabilities that the alliance wants to build. This will give all parties a higher level of assurance of busi-



In the last two to three years, BCA has identified companies that are progressive and willing to work together, to form alliances under the Growth and Transformation Scheme. PHOTO: LIANHE ZAOBAO

ness potential, and clarity of direction in terms of capabilities needed."

"As developers, consultants and builders work together, they learn, make mistakes and, for subsequent projects, the same team works together better," he added.

One such alliance, led by City Developments Ltd, aims to establish a common data environment platform to issue BIM models as part of tender documents.

This will allow all project stakeholders to access the same BIM model as the single source of truth throughout the project cycle, and

facilitate better collaboration.

In October 2023, BCA also launched the Built Environment Innovation Hub, which is envisioned to be a collaborative space where industry players can conduct research and develop technologies to address challenges the industry faces.

For instance, BCA, in partnership with key collaborators from the National University of Singapore, Singapore Institute of Technology, Kajima Corporation and Surbana Jurong, are testing a cooling solution to reduce reliance on air-conditioning in offices.

Beyond such initiatives, Wong hopes that developers, contractors and other project parties will embrace the spirit and culture of collaboration in their construction projects.

This approach towards contracting will involve parties working together towards shared project goals from the start of a project, and having structured dispute avoidance and resolution mechanisms in place as well as ensuring a fair and sustainable allocation of risk.

All public-sector projects in Singapore are required to adopt the Public Sector Standard Conditions of Contract, which already has some elements of collaborative contracting such as allowing for the contract sum to be adjusted upwards or downwards when material costs fluctuate, and sharing of loss and expenses arising from pandemic-related events.

BCA has also introduced an option module, or an additional set of clauses, which can be adopted by project parties. Those who adopt the clauses must flag early warning signs of issues, and have a systematic process to avoid and resolve differences or disputes.

More than 10 projects, including industrial, healthcare and infras-

tructure projects, have been identified to pilot collaborative contracting so far.

Already, there are encouraging signs that collaborative contracting can reduce costs and completion time.

In a recent project, contractors were asked to submit two bids – one following the traditional contracting approach and another based on a collaborative contracting approach. The average of the bid prices for the latter approach was 10 per cent lower.

Wong said: "Collaborative contracting will involve all parties early in the project, and this leads to a better designed and planned project with less wastage and fewer delays..."

"They are also encouraged to propose value engineering ideas to test on site, resulting in lower alternative bids."

Contractors will also not have to worry about bearing risks – such as escalating worker and material costs – alone as other project parties will share these costs as well.

Wong said: "Instead of everybody trying to protect their own risk, the focus is on executing the project well."

"If there are risks and uncertainties involved, the parties agree to share both the gains and the pains. That's the way forward that we want to push for."