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22 May 2015

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Dear Sir/Madam

**\$450 MILLION CONSTRUCTION PRODUCTIVITY AND CAPABILITY FUND
TRANCHE 2 (2nd CPCF TRANCHE) FOR THE BUILT ENVIRONMENT SECTOR**

1. In March 2015, the Government announced the rolling out of the 2nd Construction Productivity Roadmap to raise productivity in the built environment sector. As part of the Roadmap, ***\$450 million has been set aside under the 2nd CPCF Tranche in the next three years to help firms improve productivity.*** This is on top of the \$335 million allocated under the 1st CPCF Tranche over the last 5 years.

2. We encourage firms to make use of the CPCF to upgrade their workforce and adopt productive technologies, given the tight manpower supply and associated increase in manpower costs.

Enhancements under 2ND CPCF Tranche

3. Most of the incentive schemes under the 1st CPCF Tranche will continue under the 2nd CPCF Tranche, with a few key enhancements and changes summarised below.

4. To support the adoption of impactful construction technologies, the ***funding cap of the Productivity Innovation Projects (PIP) Scheme under the CPCF will be raised from S\$5 million to S\$10 million*** (please refer to Item 4 in Annex B for details). For the Mechanisation Credit (MechC) Scheme, firms are now able to enjoy a new \$250,000 per firm funding support cap under the 2nd CPCF Tranche.

5. In view of the high adoption rate of Formwork System by the industry, ***co-funding for Formwork System under the PIP Scheme will be discontinued in the 2nd CPCF Tranche***. This will allow BCA to channel the resources to support the adoption of other productive technologies. ***Therefore, applications for Formwork System will not be accepted from 22 May 2015. However, applications that have been accepted earlier by BCA will continue to be processed for approval under the 1st CPCF Tranche.***

6. Similarly, as the adoption of Building Information Modelling (BIM) at individual firm-level is now an industry norm, ***funding for individual firm-level BIM adoption under the BIM Fund will be discontinued in the 2nd CPCF Tranche. Applications for firm-level BIM adoption will not be accepted from 22 May 2015. However, applications that have been accepted earlier by BCA will continue to be processed for approval under the 1st CPCF Tranche.*** More details on BIM funding support in the 2nd CPCF Tranche will be provided at a later date.

7. We will also enhance the Workforce Training and Upgrading (WTU) Scheme to support firms in upgrading their workforce. The ***WTU will co-fund up to 90% of the training and assessment fees of Singapore citizens and Singapore permanent residents***. We will also ***extend the WTU to co-fund up to 40% of the training and assessment fees associated with CoreTrade or Multi-skilling registration for first time failure of experienced foreign workers in 2015 and 2016***. In addition, the WTU Scheme will support more productivity-related courses, including those at the professional, managerial, executive and technical (PMET) levels, to equip the industry with the necessary knowledge and skills in adopting advanced technologies. (please refer to Item 1 in Annex B for details)

8. We will expand the existing scholarship and sponsorship programmes. In partnership with industry firms, we will ***introduce a post-ITE development programme and a Building Specialist Sponsorship (Supervisor) programme*** to groom ITE graduates and job seekers to become BIM specialists and CoreTrade supervisors (please refer to Items 2C and 2D in Annex B for details). We will also ***introduce two part-time sponsorship programmes – a Postgraduate Sponsorship and Diploma Sponsorship***, to support

upgrading of existing employees (please refer to Items 2A (iv) and Item 2B (iii) in Annex B for details).

Commencement Date of Enhancements under 2ND CPCF Tranche

9. The above enhancements to the schemes under the CPCF will apply to applications received on or after 1 June 2015. Please refer to scheme-specific details and enhancements in Annex B.

10. Please contact the officers as shown in Annex A if you need any clarification or assistance. BCA will conduct a series of briefings to further share the initiatives under 2nd CPCF Tranche. Details of these briefings will be released at a later date.



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ANNEX A

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Mechanisation Credit (MechC) Scheme	Mr Albert Tang	68044264	albert_tang@bca.gov.sg
Productivity Innovation Projects (PIP) Scheme	Ms Fan Suet Lay	68044242	fan_suet_lay@bca.gov.sg
Building Information Modelling (BIM) Fund	Ms Angella Chan	67304540	angella_chan@bca.gov.sg

ANNEX B

Item	Type of Fund	What is Funded?	How Much is the Funding?	Who is Eligible?
1	Workforce Training and Upgrading (WTU) Scheme			
A	Workforce Training and Upgrading	Cost of selected skills assessment and training courses for tradesmen, foremen, supervisors and PMEs	To facilitate the upgrading of workforce at all levels, the WTU scheme co-funds up to 90% [ENHANCED] for locals of the cost of training and courses related to productivity. For foreigners, the WTU co-funds up to 40% for selected productivity-related courses, up to 80% for selected training and skills assessment and up to 40% for 1st time failures (funding for 1st time failures is only available in 2015 and 2016).	All Singapore-based firms in the built environment industry
2	Scholarship and Sponsorship Programmes			
A	Undergraduate			
i	Full-Time Undergraduate Scholarship	Co-funding of scholarship for undergraduate students in full-time built environment courses in local universities and the BCA Academy	<u>Local (Singaporean or Singapore Permanent Resident)</u> <ul style="list-style-type: none"> \$18,000 per year per student <ul style="list-style-type: none"> ➢ CPCF co-funds \$12,000 ➢ Industry sponsor co-funds \$6,000 <u>Foreigner (for engineering courses only)</u> <ul style="list-style-type: none"> \$14,000 per year per student <ul style="list-style-type: none"> ➢ CPCF co-funds \$6,000 Industry sponsor co-funds \$8,000 	Built environment firms which are keen to sponsor undergraduates, 'A' level or Polytechnic students for their undergraduate courses
ii	Full-Time Undergraduate Sponsorship	Co-funding of sponsorship for undergraduate students in full-time built environment courses in	<ul style="list-style-type: none"> \$10,000 per year per student <ul style="list-style-type: none"> ➢ CPCF co-funds \$7,000 ➢ Industry sponsor co-funds \$3,000 	Built environment firms which are keen to sponsor undergraduates, 'A' level or Polytechnic students for their

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		local universities and the BCA Academy		undergraduate courses
iii	Part-Time Undergraduate Sponsorship	Co-funding of sponsorship for local in-service personnel of built environment firms taking selected part-time degree courses in local universities and the BCA Academy	<ul style="list-style-type: none"> ➤ CPCF co-funds 70% of course fees ➤ Industry sponsor co-funds 30% of course fees 	Built environment firms which are keen to upgrade and retain their existing local employees
iv	[NEW] Part-Time Postgraduate Sponsorship	Co-funding of sponsorship for local in-service personnel of built environment firms taking selected part-time postgraduate courses in local universities and the BCA Academy	<ul style="list-style-type: none"> ➤ CPCF co-funds 70% of course fees ➤ Industry sponsor co-funds 30% of course fees 	Built environment firms which are keen to upgrade and retain their existing local employees
B	Diploma			
i	[ENHANCED] Full-Time Diploma Scholarship	Co-funding of scholarship for diploma students in full-time built environment courses in local polytechnics and the BCA Academy	<p>[ENHANCED] Stage 1</p> <ul style="list-style-type: none"> • \$15,000 per year per student <ul style="list-style-type: none"> ➤ CPCF co-funds \$11,000 ➤ Industry sponsor co-funds \$4,000 <p>[ENHANCED] Stage 2</p> <ul style="list-style-type: none"> • Post-Diploma Development Programme (2-year programme) (more details will be provided at a later date) 	Built environment firms which are keen to sponsor diploma student/holders to take up built environment courses and/or careers

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ii	[ENHANCED] Full-Time Diploma Sponsorship	Co-funding of sponsorship for diploma students in full-time built environment courses in local polytechnics and the BCA Academy	Stage 1 <ul style="list-style-type: none"> \$7,000 per year per student <ul style="list-style-type: none"> CPCF co-funds \$5,000 Industry sponsor co-funds \$2,000 [ENHANCED] Stage 2 <ul style="list-style-type: none"> Post-Diploma Development (2-year programme) (more details will be provided at a later date) 	
iii	[NEW] Part-Time Diploma Sponsorship	Co-funding of sponsorship for local in-service personnel of built environment firms taking selected part-time diploma courses in local polytechnics and the BCA Academy	<ul style="list-style-type: none"> CPCF co-funds 70% of course fees Industry sponsor co-funds 30% of course fees 	Built environment firms which are keen to upgrade and retain their existing local employees
C	ITE			
i	[ENHANCED] Full-Time ITE Scholarship	Co-funding of scholarship for ITE students in full-time built environment courses in the ITE colleges	[ENHANCED] Stage 1 <ul style="list-style-type: none"> \$7,000 per year per student <ul style="list-style-type: none"> CPCF co-funds \$5,600 Industry sponsor co-funds \$1,400 [NEW] Stage 2 <ul style="list-style-type: none"> Post-ITE Development (3-year programme) (more details will be provided at a later date) 	Built environment firms which are keen to sponsor ITE students/holders to take up built environment courses and/or careers.

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D	Foreman & Supervisory			
i	[ENHANCED] Building Specialist Sponsorship (Foreman)	Co-funding of sponsorship for ITE graduates, existing tradesmen and job seekers	<ul style="list-style-type: none"> CPCF co-funds 80% of course fees Industry sponsor co-funds 20% of course fees [ENHANCED] Incentives of \$9,000 for employee [NEW] Incentives of \$10,000 for employer 	Built environment firms which are keen to sponsor ITE students, existing tradesmen and job seekers in becoming foremen
ii	[NEW] Building Specialist Sponsorship (Supervisor)	Co-funding of sponsorship for existing foremen and job seekers	<ul style="list-style-type: none"> CPCF co-funds 80% of course fees Industry sponsor co-funds 20% of course fees Incentives of \$9,600 for employee Incentives of \$10,000 for employer 	Built environment firms which are keen to sponsor, existing foremen and job seekers in becoming supervisors
iii	[ENHANCED] Building Specialist Sponsorship (Crane Operations)	Co-funding of sponsorship for job seekers	<ul style="list-style-type: none"> CPCF co-funds 80% of course fees Industry sponsor co-funds 20% of course fees [ENHANCED] Incentives of up to \$24,000 for employee [NEW] Incentives of up to \$20,000 for employer 	Built environment firms which are keen to sponsor job seekers in becoming crane operators
3	Mechanisation Credit (MechC) Scheme			
		Cost of purchasing or leasing of equipment that improves productivity of the specific work process by at least 20%(Standard MechC Scheme) or 30% (Enhanced MechC Scheme)	<u>Purchase Co-funding</u> <ul style="list-style-type: none"> For equipment purchase cost \leq \$100k, up to 50% co-funding or capped at \$20,000, whichever is lower (Standard MechC Scheme) For equipment purchase cost $>$\$100k, up to 20% co-funding or capped at \$100,000, whichever is lower (Standard MechC Scheme) 	Contractors, specialist contractors or subcontractor firms incorporated and operating in Singapore

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			<ul style="list-style-type: none"> For equipment purchase cost \leq \$125k, up to 70% co-funding or capped at \$25,000, whichever is lower (Enhanced MechC Scheme) For equipment purchase cost $>$ \$125k, up to 20% co-funding or capped at \$100,000, whichever is lower (Enhanced MechC Scheme) <p><u>Leasing Co-funding</u></p> <ul style="list-style-type: none"> For equipment leasing cost \leq \$30k, up to 50% co-funding or capped at \$6,000, whichever is lower (Standard MechC Scheme) For equipment leasing cost \leq \$30k, up to 70% co-funding or capped at \$6,000, whichever is lower (Enhanced MechC Scheme) For equipment leasing cost $>$ \$30k, up to 20% co-funding or capped at \$30,000, whichever is lower <p><u>Company Funding Cap</u></p> <ul style="list-style-type: none"> A cap of \$50,000 will be applied for leasing and \$200,000 for purchase of equipment for each company. <p><u>MechC Referral Scheme</u></p> <ul style="list-style-type: none"> Each successful referral earns the referring company a \$20,000 increase in the per-firm funding cap 	

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4	Productivity Innovation Project (PIP) Scheme <i>[Renamed]</i>			
		Cost of undertaking projects which involve the application of technology and re-engineering of work processes to improve productivity by at least 20%	<p><u>Firm level PIP</u></p> <ul style="list-style-type: none"> • Key target groups: Main contractors and subcontractors • Up to 50% co-funding of PIP's project cost, capped at \$100,000 per application • For more progressive companies which are able to meet additional set of criteria as specified by BCA, co-funding up to 70% of PIP's project cost, capped at \$100,000 per application or for selected productive technologies capped at \$300,000 per application (<i>Implemented on 1 April 2013</i>) • Prefabricator - Up to 50% co-funding of PIP's project cost, capped at \$500,000 per application generally. Up to 70% co-funding level of PIP's project cost for more progressive companies which are able to meet additional set of criteria as specified by BCA (<i>Implemented on 1 April 2013</i>). For both cases, cap may be raised to \$1mil for high impact PIPs. E.g. mechanisation/automation of precast concrete production. <p><u>Group level PIP: A group of at least 2 unrelated companies</u></p> <ul style="list-style-type: none"> • Key target groups: All stakeholders- main contractors, subcontractors, developers, consultants, suppliers, etc. • Up to 50% co-funding of PIP's project cost. For more 	Developers, Consultants, Contractors, Suppliers and other construction related companies

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			<p>progressive companies which are able to meet additional set of criteria as specified by BCA, up to 70% co-funding of PIP's project cost (<i>Implemented on 1 April 2013</i>). For both cases, capped at \$500,000 per application.</p> <p><u>Industry level PIP: To be led by public agency with a group of at least 2 unrelated companies</u></p> <ul style="list-style-type: none"> Key target groups: Contractors, subcontractors, developers, consultants, suppliers, etc. (The public agency will lead the group but only the private companies will receive the fund.) <ul style="list-style-type: none"> Up to 70% co-funding, capped at \$1 million per application (for project with at least 30% productivity improvement). Up to 70% co-funding (capped at \$10 [ENHANCED] million per application) for projects with at least 40% productivity improvement. <p><u>Supportable costs</u></p> <ol style="list-style-type: none"> Manpower cost Equipment cost Material cost Consultancy service cost Intellectual property acquisition cost 	