

GUIDELINES ON **MECHANISATION CREDIT**

(revised on 1 June 2011)

Guidelines on Mechanisation Credit

1. OBJECTIVE

The Mechanisation Credit (MechC) is a scheme to assist Singapore-registered construction firms to defray cost incurred in technology adoption to achieve productivity gains for the construction projects.

2. ELIGIBILITY CRITERIA

To be eligible, a business must satisfy the following conditions:

- (a) Applicant must be a Singapore-registered business enterprise;
- (b) The supported equipment (the Equipment) must achieve at least 20% manpower savings (measured by way of number of workers and over a period of at least one month and not exceeding 10 months) or 20% improvement in site productivity (measured by way of decrease in man-days used per square metre or equivalent over a period of at least one month and not exceeding 10 months) for the applicant, in the particular area of work in the construction project which the Equipment has been used. Detailed productivity data with the use of current method of construction or before implementation of the Equipment must be submitted. You may use Annex A to record the productivity data. A similar record on productivity data with the use of the Equipment, after it has been purchased / leased is also required during the claim / disbursement stage;
- (c) The minimum investment proposal per application is \$10,000 for purchase and \$2,000 for leasing of equipment;
- (d) The Equipment must not have been purchased or leased before the date of application;
- (e) Purchase of used equipment will not be supported; and
- (f) The support for leasing shall be applicable to equipment with lease period of at least six months. No support shall be provided for short term rental of equipment.

3. FORM OF ASSISTANCE

Depending on the impact to the project and the productivity improvement, the funding support is as shown below:

Cost of equipment		Funding cap
Purchase	equipment with cost \leq \$100k	Up to 50% support level, cap at \$20k
	equipment with cost $>$ \$100k	Up to 20% support level, cap at \$100k
Leasing	equipment with cost \leq \$30k	Up to 50% support level, cap at \$6k
	equipment with cost $>$ \$30k	Up to 20% support level, cap at \$30k

4. QUALIFYING PERIOD

The qualifying period for assessment purpose shall be based on the date of application and the terms of payment for the approved equipment. This period is subject to review by the Building and Construction Authority (BCA).

The allowance is only granted on approved equipment purchased within the 12 months from the date of application. Support **will not be granted** if the proposed equipment is

- (a) purchased / leased before the date of application; or
- (b) delivered and received in Singapore by the applicant before the date of application; or
- (c) purchased / leased after the first 12 months from the date of application.

The date on the purchase contract, agreement or vendor's invoice, whichever is earlier, is deemed to be the date of purchase of the proposed equipment / machinery.

5. OTHERS

- (a) Applications must be received by BCA at least one working day before the purchase/ leasing. Late applications will not be supported.
- (b) For different types of equipment, please use separate application form
- (c) For equipment purchased using **cash payment**, the applicant shall own and be in actual possession of the purchased Equipment for a period of two years commencing from the end of the Qualifying Period. As for **hire-purchased payment**, the applicant shall own and be in actual possession of the hire-purchased Equipment for a period of two years in addition to the hire-purchase period commencing from the end of the Qualifying Period. For the avoidance of doubt, during the said period, the applicant shall not:-
 - (i) lease or lend to another party the Equipment;
 - (ii) sell the Equipment;
 - (iii) allow the Equipment to be brought out of Singapore or bring the Equipment out of Singapore;
 - (iv) scrap the Equipment; or
 - (v) dispose the Equipment.
- (d) Applications will be processed based on a case to case basis. The same equipment may be approved for one application but rejected for another application.
- (e) For payment made through hire-purchase, only payments made within 24 months from the date of application will be considered for the purpose of the financial

support and the payment made to the owner hire- purchase company or bank must satisfy the following conditions:

- (i) Only one disbursement for equipment cost \leq \$100,000 and up to two disbursements can be made for equipment cost $>$ \$100,000,
- (ii) The hire-purchase payment must be made within the first 24 months.

The amount to be disbursed shall be the same percentage as the hire-purchase payment made to the owner hire-purchase company/bank. There will be no disbursement for payment after the first 24 months from the date of application.

- (f) For approved funding of \$50,000 per application for purchase and approved funding of \$10,000 per application for leasing, external audit certification on qualifying expenses of the equipment must be submitted upon request.

6. HOW TO APPLY

Formal applications must be made on prescribed application forms and sent to:

“The Fund Administrator, Mechanisation Credit Scheme”
Attention: Ms Tan Mui Kheng
Building and Construction Authority
5 Maxwell Road
#16-00 Tower Block MND Complex
Singapore 069112

If there is any further query on MechC, please contact:

Ms Tan Mui Kheng
Tel: 6325 5067
Fax: 6325 4800
Email: tan_mui_kheng@bca.gov.sg

or check out BCA's website: <http://www.bca.gov.sg>

Productivity Data - Before Implementation (current method of construction)

Applicant is to provide detailed records on manpower usage and the extent of works with the use of current method of construction or before implementation of the supportable equipment in the table below.

Examples of the extent of work for current method may include:

- Manual levelling of concrete floor using hand trowel
- Installation of metal scaffold for laying of electrical services

Please state current method of construction used and the type of work trade:

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Table 1: Data for the current method of construction

- (i) Man-days should include both the man-days for preparation work (e.g. installation of metal scaffold before laying of electrical services) and the man-days used in the actual work trade (e.g. laying of electrical services).
- (ii) The extent of work (e.g. in length, area, volume or weight).

Duration / extent of work	Week 1	Week 2	Week 3	Week 4	Week 5 or longer*	Average (Before implementation)
(i) Man-days [#]						
(ii) Extent of work Unit: _____ (please indicate the correct unit e.g. m, m ² , m ³ or kg)						

* Please attach additional data sheets if more data is available.

Each man-day is equivalent to eight working hours by one worker. For example, if a worker works 10 hours per day for 16 days, the manpower should be reported as $(10 \times 16)/8 = 20$ man-days. Please provide detailed records on manpower usage with the use of conventional method of construction as appendix.

Please note that upon the purchase / leasing of the Equipment, applicants are required to collect detailed productivity data with the usage of the newly purchased / leased Equipment over a period of at least one month and not exceeding 10 months. The productivity data are to be submitted during the claim period using the claim form provided.

Equipment Supportable Under MechC

The list of equipment shown in Table 1 is not exhaustive. It shows the types of equipment that may be supported under MechC. Applicants have to show that the equipment to be purchased or leased (be it on the list below or otherwise) will help to improve the productivity of the specific work process by at least 20%. Equipment that can directly improve productivity in the construction work will be considered favourably.

Equipment Which Are Not Supported

Equipment which is not used directly to carry out the construction work, such as generator, passenger hoists, lorry crane, forklift, lighting tower, noise meter, security system, environmental monitoring equipment, thermal fogger machine, water pump, cleaning equipment, weighbridges, computers hardware and software etc, will not be supported under MechC. Other equipment that is already commonly used in construction such as excavators or excavator-based machineries, handheld power tools, hydraulic breakers; and cranes and piling equipment use for foundation works will not be supported.

Purchase of used equipment will not be supported.

Table 1: List of possible supportable equipment under MechC

A	Equipment for concrete-related works
A1	Concrete / screed vibrating leveller
A2	Shotcrete machine
A3	Grout mixer and pump
A4	Ride-on power trowel and walk-behind power trowels
A5	Concrete placing boom
A6	Concrete rotary distributor
A7	Concrete stationary pump
A8	Truck-mounted concrete pump
A9	Mobile concrete crusher
A10	Self-climbing scaffold system
A11	Aluminum formwork system
A12	Table formwork system
A13	Others - Please specify
B	Equipment for lifting and handling operations
B1	Scissors lift
B2	Boom lift
B3	Personnel lift

B4	Spider lift
B5	Skid steer loader
B6	Mast work platform
B7	Telescopic handler
B8	Mini cranes
B9	Mobile Crane
B10	Hammer head tower crane/ Luffing tower crane
B11	Crawler crane
B12	Ladder material hoist
B13	Others - Please specify
C	Equipment for specialist subcontracting works
C1	Prestressing hydraulic pumps & jacks
C2	Cable/ Strand pusher
C3	Jet Grouting machine
C4	Remote-controlled demolition machine
C5	Hydrostress burster
C6	Control demolition concrete crusher
C7	Automated welding machine
C8	Others - Please specify
D	Equipment for Architectural works, M&E works & general works
D1	Spray paint machine
D2	Scanning machine (to detect gaps / cracks)
D3	Cable pulling machine
D4	Portable traffic control
D5	Automatic wheel washer for construction sites
D6	Others - Please specify