

**GUIDELINES
ON
PRODUCTIVITY IMPROVEMENT
PROJECT (PIP) Scheme**

**Part of the Construction Productivity and
Capability Fund (CPCF)**

Guidelines on Productivity Improvement Project (PIP) Scheme

1. OBJECTIVE

The Productivity Improvement Project (PIP) is a scheme primarily aims to encourage and facilitate Singapore-registered businesses to build up their capability, identify productivity gaps and improve site processes so as to achieve **higher site productivity**.

2. ELIGIBILITY CRITERIA

To be eligible, a business (e.g. developer, consultant, contractor, prefabricator) must satisfy the following conditions:

- (a) Be a Singapore-registered construction-related business enterprise.
- (b) Project should involve significant improvement in building design, products, processes and applications and lead to **significant site productivity improvement**.
- (c) Project should develop new capabilities within the company and/or industry.
- (d) The deliverable of the project must aim to achieve **improvement in site productivity** (reduced cycle time, reduced manpower, higher yield etc) by at least 20%.

3. FORM OF ASSISTANCE

The PIP Fund provides financial assistance to cover a percentage of the qualifying cost of a developmental project. The intent of the scheme is to encourage technology adoption, site process re-engineering and innovation in construction projects. Expenses in **manpower, equipment, materials, professional services and intellectual property acquisition** for conducting the development projects will be supported on a co-funding basis. As government grants are not meant to offset the tax liability of companies, **GST is not a supportable cost**.

Funding support for each level of PIP is listed below:

Level	Funding Support
Firm	Co-funding of up to 50% of developmental project cost but capped at S\$100,000 per application
Prefabricators	Co-funding of up to 50% of developmental project cost but capped at S\$500,000 per application generally
Group (At least 2 unrelated companies with each providing significant contributions in the development and implementation)	Co-funding of up to 50% of developmental project cost but capped at S\$500,000 per group application
Industry (To be actively led by public agency with at least 2 unrelated companies)	Co-funding of up to 70% of developmental project cost but capped at S\$1 million per application. The fund is for private sector companies only.

4. QUALIFYING PERIOD

(a) Project must **not** have commenced at the time of application and the project duration should preferably be kept within 2 years.

5. APPLICATION PROCESS



6. CLAIMS AND DISBURSEMENTS

- (a) Disbursement of funds is always made on a reimbursement basis i.e. the company can only be reimbursed for expenses that have actually been incurred. Direct payment to the company's creditors is prohibited.
- (b) Claims and reimbursements will be made on a half yearly basis, up to a cumulative total of 70% of the approved grant amount. The remaining 30% will be held back until if the project does not achieve at least 20% productivity improvement.
- (c) If the applicant is not a builder, the first 30% of the approved grant may be disbursed within the development period. The remaining 70% will only be disbursed after the implementation of the proposed PIP solution on an actual construction project, and with at least 20% site productivity improvement achieved.
- (d) Final claim should be submitted within 6 months of completion of the project.
- (e) Procedures of claims:
 - (i) Claims should be made using prescribed forms and must be accompanied by a progress report;
 - (ii) An external auditor's certification for each claim is required.

7. TRACKING OF PROJECTS

Progress Reports are to be submitted by the company on a quarterly basis. A final report is needed.

8. PROJECT COMPLETION

Company should submit the following within 6 months from the completion/termination of the project:

- (a) Final report;
- (b) Auditor statement of expenditure;
- (c) Statement on the final claim.

9. OTHERS

- (a) Applicant is to declare the other Government incentives that the company is currently enjoying so as to prevent overlapping or double funding to the company on the same work.
- (b) For test bedding, piloting test of products or systems, the company should be able to justify that the products/systems they propose to develop will generate significant benefits, either directly or indirectly.

- (c) The project team within the firm, group or industry should demonstrate a **commitment to adopt technology and improved work processes as part of their business strategy**. The grant will support the team to upgrade the technology or improve work processes in the construction project.

10. HOW TO APPLY

Applicants are advised to discuss the proposed project with BCA Officer prior to making a formal application.

Formal applications must be made on prescribed application forms and sent to “The Fund Administrator, Productivity Improvement Project”, Attention Mr Martin Ho (Email: bca_pip@bca.gov.sg or Tel: 6325 5101)



5 Maxwell Road
#12-00 Tower Block MND Complex
Singapore 069112
Tel: 6325 5068
Fax: 6325 4800
Website: <http://www.bca.gov.sg>