

# Revisions to Contracting Modes (CCA Instructors)

In support of the Tripartite Standards to adopt fair and progressive government procurement practices, MOE has acted on the feedback from coaches/instructors and schools, and worked closely with NTUC National Instructors and Coaches Association (NICA) to enhance the contracting mode for CCA instructors. These revisions take effect for new ITQ/ITT called from 17 Sep 2021 for services commencing 1 Jan 2022.

For CCA contracts on Pay-As-You-Use (PAYU) (Hourly Payment) contracting mode with **option period** that will continue beyond 2021, schools will be approaching their instructors to seek their consensus to exercise the option based on existing contract terms. If instructor is not agreeable, school will call an Open ITQ/ITT based on the revised terms.

## Key Features of the Revisions

1. 80% commitment of estimated training hours for CCA contracts on Pay-As-You-Use Hourly Mode.

2. Recalibrated Treatment for Cancellation to Incentivise Desired Behaviour by Schools and Instructors

3. Updated contract annexes to align with the revisions, i.e. Annex A (Requirement Specifications), Annex B (Price Proposal) and Annex E (Conditions of Contract).

# Overview of the Revisions

	Previous	Revisions
<b>80% commitment of projected hours for CCA contracts on Pay-As-You-Use Hourly Payment</b>	Instructors will be paid <u>based on actual hours utilized</u>	<ul style="list-style-type: none"> <li>Remain as Pay-As-You-Use mode, with a <u>committed payment of 80% of the estimated training hours contracted for each Base/Option Period as specified in the Requirements Specifications.</u></li> <li>At the end of each Base/Option Period, if the total <b>*Utilised Training Hours</b> are less than 80% of the estimated training hours for such Base/Option Period, schools will top up the payment to meet the 80% commitment accordingly.</li> </ul>
<b>Recalibrated Treatment for Cancellation - Short Notice Cancellation by school for CCA contracts on Pay-As-You-Use Hourly Mode</b>	Payment is required for cancellations of planned training sessions by schools on short-notice <u>if a make-up session is not possible.</u>	<ul style="list-style-type: none"> <li>Cancellations or reduction of the duration of planned training sessions by schools on short notice <u>without the need to arrange for a make-up.</u> Any make-up session requested by schools shall be separately paid for by schools.</li> <li>Short-notice cancellation is <u>extended to cover and pay for all planned CCA sessions within 7 working days following any public announcements from MOE to suspend in-person CCA or school activities,</u> including any sessions scheduled on the date of the announcement.</li> <li>These sessions will be paid and counted towards the Utilised Training Hours.</li> </ul>

\* Utilised Training Hours include i) Actual number of hours that Contractor has provided to school and hours cancelled by school on short notice, where payment should be made and ii) Hours cancelled by Contractor, where payment should **not** be made. Refer to next 3 slides for illustrations.

# Overview of the Revisions

	Previous	Revisions
<b>Recalibrated Treatment for Cancellation – Contractor’s Cancellation</b> for CCA Contracts	School has the rights to terminate contract if instructors cancel training sessions without make-up for more than 10% of planned training hours within 3 consecutive months under Annual Baseload (Monthly Payment) Contracting Mode.	<ul style="list-style-type: none"><li>• Cancellations by Contractor, regardless of reasons, will count towards the Utilised Training Hours but not be paid under Pay-As-You-Use Hourly Mode.</li><li>• School may issue a letter of warning for cancellation by Contractor without valid reasons* and consider contract termination upon cancellation of 3<sup>rd</sup> session or in the event of prolonged absence with no equally or better qualified replacement provided.</li><li>• For contracts with companies, company can provide an equally or better qualified replacement than the original instructor for School’s approval in lieu of contract termination.</li></ul>

\* Valid reasons include absence with medical certificate or other proof of absence (e.g. personal/family emergency) deemed acceptable by school.

### **Scenario 1: Actual Utilisation > 80% commitment**

- Based on a contract with estimated annual hours: 140 hours
- 80% commitment: 112 hours

Utilised Training Hours = 150 hours

- Actual Utilisation by School = 150 hours (*payable*)
- Hours Cancelled on Short Notice by School = 0 hours
- Hours Cancelled by Instructor = 0 hours

→ Payment will be made monthly based on actual utilisation, i.e. 150 hours.

### **Scenario 2: Actual Utilisation < 80% commitment with short-notice cancellations by school**

- Based on a contract with estimated annual hours: 140 hours
- 80% commitment: 112 hours

Utilised Training Hours = 108 hours

- Actual Utilisation by School = 100 hours (*payable*)
- Hours Cancelled on Short Notice by School = 8 hours (*payable*)
- Hours Cancelled by Instructor (regardless of reasons) = 0 hours

→ Payment will be made monthly based on actual utilisation by schools and hours cancelled on short notice by schools, i.e. 108 hours.

→ At the end of the contract period, school should top up and pay for additional 4 hours to fulfil the 80% commitment.

### **Scenario 3: Actual Utilisation < 80% commitment with cancellations by Instructor**

- Based on a contract with estimated annual hours: 140 hours
- 80% commitment: 112 hours

Utilised Training Hours = 104 hours

- Actual Utilisation by School = 100 hours (*payable*)
- Hours Cancelled on Short Notice by School = 0 hours
- Hours Cancelled by Instructor (regardless of reasons) = 4 hours (*not payable*)

→ Payment will be made monthly based on actual utilisation, i.e. 100 hours.

→ At the end of the contract period, school should top up and pay for additional 8 hours [112 hours (*committed hours*) less 104 hours (*utilised training hours*)] to fulfil the 80% commitment.