

# Best Sourcing scheme gets \$3m boost

Funds will meet rising demand for grants that are designed to help improve productivity

BY CASSANDRA CHEW

THE labour movement has received a \$3 million boost for its programme that encourages organisations to look beyond the tender price when awarding a contract.

The funds from the Workforce Development Agency (WDA) are to help meet the surge in applications for grants from the programme, Best Sourcing Initia-

tive (BSI).

It will increase the BSI budget to \$5 million, said NTUC secretary-general Lim Swee Say when he announced the new funds yesterday at a BSI symposium on how the scheme works.

Since the BSI was launched in July, it has handed out \$900,000 to 11 organisations in just four months.

The contracts from companies such as property developer Wing Tai Holdings and Changi Airport Group were worth a total of \$31 million.

With another 52 applications in the pipeline, involving contracts totalling \$94 million, the WDA decided to increase its funding to support up to \$100 million worth of projects, said Mr Lim.

The BSI offers grants of up to \$75,000 or a maximum of 5 per cent of a con-

tract's value to a company that looks not just at price but also the service provider's quality of work and performance when awarding a contract.

By doing so, the BSI aims to encourage the service provider to look at ways and means to improve productivity, an approach that made itself felt first in low-wage, low-productivity sectors such as landscaping, cleaning and building maintenance.

Singapore's labour productivity has been on a four-year decline. Last year, it fell sharply to minus 7.8 per cent, from minus 0.8 per cent in 2007.

BSI's crucial role in Singapore's pursuit to stay competitive was underlined yesterday by Mr Lim at the symposium at NTUC Centre.

He said: "As we advance towards a

cheaper, better, faster economy, we must strive to do our best to nurture the best technologists, the best innovators, the best marketers.

"But at the same time, it's also very important that we nurture the best security guards, the best landscaping technicians and the best cleaners."

He reiterated that the right way to be cheaper is not to cut wages but to increase revenue with better capabilities.

"Can we get more out of a person, can we get more out of a production line, so we produce more with the same or less?" he said in his address to about 400 officials from organisations with an eye on getting a BSI grant.

He also urged workers to upgrade their skills, multi-task and learn new skills to raise productivity. Otherwise, Singapore

risks facing a widening income gap and a greater social divide, he warned.

Mr Lim also noted that NTUC's efforts in championing best sourcing practices since 2006 are starting to bear fruit.

For instance, the National Parks Board (NParks) has 32 park maintenance contracts on BSI.

Citing its benefits, Mr Lim said it has led to workers, armed with new grass-cutting equipment, being able to trim the grass of football fields in four man-hours, instead of 20.

More improvements are under way, said Mr Kevin Lim, an NParks manager, who added that about 1,000 workers now receive a monthly pay of \$1,000, instead of \$850.

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