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Treasury gets tough over delays

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KUALA LUMPUR, Wed. - The Treasury, irked by the delays in the implementation of Government projects, has warned that projects costing more than RM10 million will automatically be cancelled if they don't begin within six months after the letters of intent are issued.

The new ruling took effect on July 2.

Treasury secretary-general Tan Sri Samsudin Hitam said delays still persisted despite the Government allowing the relevant agencies to deal directly with contractors in awarding projects.

Government agencies must ensure that discussions with the contractors on matters pertaining to work scope, design, completion, cost and other relevant factors were done within the given period, he said in a circular.

The circular was forwarded to all Ministry secretaries-general, heads of Federal departments, State Secretaries, heads of statutory bodies, local councils and chief executives of Government-owned companies.

Prime Minister Datuk Seri Dr Mahathir Mohamad had also said that unnecessary delays had been caused due to complications in the identification of projects and bureaucratic procedures.

Dr Mahathir had said too much time was spent in appointing the contractors and in other negotiations.

Samsuddin said Government agencies must also ensure that discussions with the contractors on matters regarding work scope, design, cost and pricing were completed within five months for projects costing between RM5 million and RM10 million and four months for those costing between RM1 million and RM5 million.

For projects costing below RM1 million, the allowed period is three months.

"We (Treasury) find that many delays are still caused in finalising the technical aspects and project costs despite us having issued a directive that this too should be done within the given period.

"The offer to carry out a particular project would be automatically withdrawn if the deadlines are breached."

In May last year, Samsudin told all ministries to review projects which have not started three months after being approved or were 30 per cent behind schedule.

Describing them as being under the sick projects category, Samsudin said a special committee, which would be empowered to terminate contracts of those undertaking these projects, should be set up at all ministries immediately.

Samsudin said the committee would also be empowered to review the contracts of those with poor performance records.

In another circular dated June 26, Samsudin said Government agencies were not allowed to buy imported vehicles without prior approval from the Treasury.

"If there is such a purchase, we will not pay the importer."