

S'wak Bengoh Dam: RM58mil cost overflow
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Ill-conceived plans over the resettlement of natives living around the Bengoh Dam in Sarawak are causing massive delays to the RM310.65 million project.

Although the cabinet is still deliberating its options, the auditor-general in his 2010 report estimated that the delays could cost up to RM58.37 million.

According to the report, the delay is because some of the 1595 natives affected do not accept the compensation offered by the government.

The dam, which is 97.3 percent ready, cannot be impounded on schedule until the natives have been resettled.

If it is not impounded, mechanical and electronic equipment cannot be tested on schedule.

A total RM30.87 million was allocated for compensation and land acquisition but 26 people have rejected the offer of RM1.44 million each.

As of May 2011, RM800,000 have been paid out of the total RM11.78 million allocated for compensation for buildings.

"The Bengoh natives resettlement scheme should have been sorted out earlier in line with the construction and impoundment schedule....so the government doesn't have to bear additional costs of storage.

"The Works Department (JKR) needs to ensure that this delay does not cause technical damage to mechanical and electronic equipment which cannot be installed," the report said.

A warehouse costing RM136,000 had been built to store the equipment. It would cost an additional RM5.2 million to extend the warranty on the equipment which is to be installed at the draw-off tower.

It noted that the JKR had explored four options in order to keep costs down, while waiting for resettlement to be completed.

The first option, to terminate the present contractor and re-tender the remaining works once the natives have shipped out, was rejected as "unsuitable".

The second option is for the same contractor to stop work once the contract period lapses. It will resume work once resettlement is out of the way. The cost of this option was estimated by JKR as RM31.51 million, but the contractor quoted RM56.81 million.

The third option is to give an extension to the current contractor. JKR estimates that it will cost RM33.69 million while the contractor wants RM58.37 million.

Temporary resettlement

JKR also mooted a fourth option - pay RM39.81 million in rental of temporary housing and allowances for the natives, while the compensation disputes are sorted out and construction resumes.

"As of May 2011, (the department) is still awaiting a response from the cabinet," it said.

The AG was also unhappy with the condition of roads leading to Bengoh from Kuching. The only access road was found to be full of potholes, and RM236,000 of an allocated RM295,000 was paid for repairs.

"But as of May 2011, the condition is still the same," the report said, adding that the state said it is in the process of upgrading the Bengoh Denu road.

Other additional work also added to the cost overruns:

- * Additional culvert to avoid flooding to neighbouring villages (RM1.65 million)
- * Work on Bengoh River banks for flood mitigation (RM550,000).

The freshwater dam, which is expected to be fully operational by October 2013, is meant to cater to the water needs of Kuching until 2030.

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