

PKR questions award of RM1.3 billion project

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One of the BN candidates for a parliamentary seat in Perak, an incumbent, pulled "an Ali Baba act" when awarded a "lopsided" project worth RM1.3 billion by the federal government in the construction and maintenance of an educational institution.

Making this claim today, PKR strategy director Rafizi Ramli said the award of the project raised questions on the credibility of BN candidates.

Rafizi is also the PKR candidate for the Pandan parliamentary seat.

A search with Bursa Malaysia, Rafizi said, revealed that the project was given jointly to a listed company and the BN incumbent MP's "dormant firm", which has a 49 percent stake in a special holding company for the project.

"The cost of construction is RM285 million but the special holding firm has been given the concession to build and maintain the institution for 23 years, at a total cost of RM1.3 billion.

"I question the award as the lawmaker's company is not an active construction company and does not have a good track record," Rafizi said.

He further alleged that the BN candidate's firm was just "an Ali Baba firm" that is "making money out of thin air" in what he described as "standard practice for concessions awarded to cronies".

It is the listed firm, he claimed, which was doing all the work despite the prominent Umno leader, who also heads a federal agency, getting the lion's share.

Listed firm declares project value at RM285 million

Rafizi said while the listed firm in its Bursa Malaysia disclosure declared the project as RM285 million in value, the actual contract will see the government and a tertiary educational institution in Perak paying the special holding company more than RM56 million a month in occupancy and maintenance fees for 23 years.

This is based on the calculation of RM4.50 per square feet (psf) for occupancy and RM1.146psf for maintenance, multiplied by the almost 850,000 square feet of built

space in the project.

Malaysiakini is withholding the name of this special holding company until we get a response from it.

Rafizi said he sighted the contract from a source close to the project, who does not want to be identified and who had also asked that the contract not be published.

"If the person sues me, then I will have a field day in court when I subpoena for the documents. Only in Malaysia, I am at a loss when I see such documents."

Education Ministry awarded contract in 2010

The contract awarded to the tertiary educational institution by the Ministry of Education in 2010, Rafizi said, represented all that was wrong with the "Ali Baba crony system" that sees costs for government projects escalate.

This, he said, could be blamed for the rising cost of education, as had taken place in Selangor's Unisel, which inherited a similar lopsided lease and maintenance contract from the previous BN administration of the state.

The issue was of bigger concern than improper awards of contracts, he lamented, as it would burden both the government, which had to fork out the payment and the students and their parents, who would face rising education costs.

Rafizi said that if Pakatan took over Putrajaya in the coming general election, this contract would be one of those targeted for renegotiation and review as it involved public interest.

Previously PKR had fingered a BN state assemblyperson whose firm had a similar contract with Selangor education institution Unisel, which forced the university to pay huge amounts in leasing and maintenance fees, raising its operations costs significantly.

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