

## **Najib denies giving a whopping LRT3 contract to MRCB-GK**

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PARLIAMENT Prime Minister Najib Abdul Razak has denied the government gave a whopping RM11.5 billion contract to Malaysian Resources Corp Bhd-George Kent (MRCB-GK) for the construction of the Light Rail Transit 3 (LRT3) stretch from Bandar Utama to Klang.

"The LRT 3 contract was implemented through a pre-qualification open tender, and further shortlisted into six firms," he said in his capacity as finance minister.

"The cost of LRT3 was fixed at maximum RM9 billion, and the fees for project delivery partner (PDP) was set at six percent of the final project cost," he said.

However, Najib said, said the cost for LRT 3 is yet to be finalised.

"The actual cost of the LRT3, which will be negotiated between Prasarana Malaysia Bhd and MRCB-GK, should not exceed RM9 billion," he said in written reply to Parliament on Nov 11.

Najib said this in reply to Mohd Ariff Sabri Abdul Aziz (DAP-Raub) who asked for the rationale in giving the contract to the joint-venture partnership, which bid filed its bid at the cost of RM11.5 billion.

On Sept 4, LRT operator Prasarana announced the appointment of the MRCB-GK joint venture as the contractor of LRT3.

### **Prasarana fixed price at RM9 billion**

Controversy was raised when it was revealed that MRCB-GK had offered a higher price - RM11.5 billion - than the cost of RM9 billion for the stretch, which was fixed by Prasarana.

It won the deal against six other contractors - IJM Corporation Bhd, MMC Corp-Gamuda Joint Venture, Naza TTDI-CSR Zuzhou Electric Locomotive Joint Venture, Sunway Construction Bhd, UEM Group Bhd and WCT-Alloy MTD Joint Venture.

Those on the industry opined that UEM, a subsidiary of Khazanah Nasional, with a track record in mass railway constructions, is more qualified than the joint venture.

UEM's construction includes LRT2 (Kelana Jaya Line) and Ipoh-Rawang Electrified Double Track (EDT) as well as part of the Mass Rapid Transit 1, (MRT1), which included elevated stations package three and Taman Mesra-Kajang station viaduct guideway work.

"Why was George Kent given a chance when it has a bad performance record in its previous LRT projects (Ampang Line), " asked Mohd Ariff, who was equally puzzled.

In defending MRCB-GK, Najib said the joint venture company was chosen as 'project delivery partner' after it passed the passing mark of 70 percent, with a highest score of 76.99 percent and had gone through three levels of assessment.

Najib said George Kent was given a chance based on the firm's experience in carrying out a similar construction and that it had provided quality work able to meet the contract's standard.

"The consortium George Kent-Lion Pacific, which works on the Ampang Line Extension Project's system works, has portrayed a good and satisfactory performance," he said

"Four stations have opened by end October, while the project will be completed in March 2016," he added.

Thus, it was confusing and incorrect to say George Kent had performed badly in regards to the LRT project, noted Najib.

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