

**Malay contractors urge gov't to end VOP**  
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The Malaysian Malay Chamber of Commerce (DPMM) Perlis Chapter has urged the government to stop the Variation of Price (VOP) implementation which it says is oppressive on contractors.

President Fauzi Hassan said that although VOP was implemented following a decrease in steel prices, the cost for other materials including cement and sand continued to increase.

"The cost of labour has also increased," he told reporters here today.

He said that in Perlis, Class B and C contractors, presently involved in 35 school building projects, were expected to incur losses between RM150,000 and RM200,000 per project because of VOP.

He said VOP took effect in 2008 after steel prices dropped from almost RM4,000 to about RM2,400 per metric tonne. It's implementation was aimed at adjusting the value of projects under construction in line with the decrease in steel prices.

Fauzi said Perlis DPMM had met the Public Works Department over the matter but the issue had not been resolved.

Three projects to construct additional school buildings in Perlis had been terminated because of the contractors' failure due to the harsh effect of VOIP, he said.

VOP was no longer relevant, he said. "We are not asking for an increased payment, we just want the payment to be maintained without VOP," he added.

The school projects in Perlis totalling over RM100 million began in the middle of last year and were supposed to complete by yearend for use early next year. But because of VOP, it would not be smooth, he said.

He said what happened in Perlis also happened elsewhere because the VOP implementation involved all contractors nationwide.

- Bernama

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