

New palace costs RM811mil, no open tender
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The construction of the new national palace at Jalan Duta, Kuala Lumpur has doubled in a period of four years, the Dewan Rakyat was told today.

During the Question session this morning, Deputy Works Minister Yong Khoo Seng said the palace was estimated to cost RM400 million in 2006 but now costs RM811 million.

new istana negara 211106 the king with ministers Contracts for the construction were awarded to three companies through direct negotiations instead of open tenders, said Yong.

Yong said that the contracts were awarded in such fashion because the national palace was "unique" and required additional security considerations.

His statement prompted a retort from Nga Kor Ming (DAP-Taiping), who had posed the question earlier, that direct negotiations run contrary to Prime Minister Najib Abdul Razak's pledges under the New Economic Model.

Nga argued that Treasury instructions stipulate that all public procurements of more than RM200,000 must be through open tender, but this was not observed for the new palace.

Make sure it won't collapse

Earlier, Yong explained that the project was divided into three zones - royal, administrative and supporting buildings - hence the three contracts.

new istana negara 211106 artist painting The construction of the main complex was awarded to Maya Maju Sdn Bhd at a sum of RM650 million, while a contract for a flyover from Jalan Duta to the palace would cost RM130 million was awarded to Ahmad Zaki Bhd.

The contract for the upgrading of an access road from Jalan Changkat Semantan to Jalan Istana costing RM32.5 million was awarded to Kejuruteraan Kenari Sdn Bhd.

The deputy minister said that the project is now 60 percent complete and is on schedule for completion by May 30 next year.

After Yong's explanation, Nga asked four supplementary questions. Among others, he sought a guarantee that the new palace will not collapse as was in the case of the RM270 million Gong Badak Stadium, Kuala Terengganu.

"How is that the estimated cost has increased by more than 100 percent within five years?" demanded Nga.

The deputy minister explained that the project was "special" because this is the first time the government is building a dedicated palace and that additional safety measures are required.

The new palace complex is expected to be completed by next February.

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