

DAP ridicules pledge on tenders for ETP projects
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Opposition parliamentarian Tony Pua wants the government to make blueprints under the Economic Transformation Programme (ETP) transparent, so as to ensure that contracts awarded for projects are done via open tender.

The government, he said, must stop practising its heavily criticised procedure of direct negotiations in the awarding of projects.

The Petaling Jaya Utara MP said this in response to Prime Minister Najib Abdul Razak's apparent move yesterday to bypass his commitment to transparency, when the premier conceded that some projects must be given through direct negotiations.

At the ETP book launch yesterday, Najib defended direct negotiations involved in the construction of the proposed RM46 billion mass rapid transit (MRT) project, the biggest project under the ETP.

This, Pua said, contradicted with Najib's pledge that all projects under ETP would be executed with transparency and accountability.

He also lashed out at Minister in the Prime Minister's Department Idris Jala for coming to Najib's aid that direct negotiations could bring the best value for the government.

Pua said the prime minister had "completely missed" the point on open tenders.

"The point is to ensure that the government gets maximum value at the lowest possible cost, but directly awarding a mega project to a private consortium, which subsequently tenders out the job, maximises profit for the consortium, not the government," he explained.

"The question we would like to ask is, while private consortiums are maximising profits for their shareholders, why isn't the government maximising value and returns for the taxpayers?"

Only in the rarest of circumstances

On Idris' argument that direct negotiations were better in certain cases, Pua said this probably was in the "rarest of circumstances", where non-competitive projects were cheaper than competitive ones.

"Negotiations can always be carried out after the best bid has been selected from a competitive tender," he said, adding that Malaysia's experience in direct negotiations has often resulted in higher costs, not lower.

Pointing out the construction of the new national palace on Jalan Duta as an example, Pua said the ballooned cost - jumping from RM400 million to RM811 million - was because of additional variation orders, which was a negative impact of direct negotiations.

"Idris' claim that public projects like the MRT cannot be tendered out as they are too exorbitant to be funded by private companies does not make any sense, and isn't at all

true.

"It is exactly because government funding is required for public projects like the MRT that open tenders should be conducted to ensure transparency, accountability and best value for the taxpayers' money," Pua said.

Singapore and Hong Kong, he added, have been transparent in their MRT projects, and both have world class MRT systems that were competitively tendered out for construction in 1982 and 1975.

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