

Councils save millions in managing waste disposal

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Just by renegotiating with the contractor to reduce the cost of transporting solid waste within the state, two local councils in Penang have saved RM33 million of the people's money.

The money, in the form of surcharge payment to the contractor, will be reclaimed by the two municipal councils - Penang Island and Seberang Perai.

"Imagine how much Umno cronies had profited before this and caused a burden to the people," said Penang Chief Minister Lim Guan Eng at a Seberang Perai Municipal Council function today.

He said following the Auditor-General's advice, the municipal councils were tasked to reclaim the surcharge money paid to the contractor , which amounted to RM222,880.

If the contractor does not return the money, its monthly payment will be reduced, he added.

NONThe contractor, who had been transporting solid waste for the municipal councils before March 2008, when Pakatan Rakyat took over the state , has amicably agreed to repay the surcharge incurred from 2008 to 2009 (21 months), Lim (right) said.

"The renegotiation with the contractor resulted in the reduction of the cost (of transporting solid waste) by about 40 percent and saved us RM33 million in three years," he said, commending the municipal councils for bringing their accounts back into the blue.

Lim was referring to a recent reminder issued by the Auditor-General on surcharge payments to contractors for the service of solid waste transfer, which amounted to RM222,880 a month from January 2008 to last year.

The surcharge was due to the different weighing methods for the waste at two landfills - Ampang Jajar and Pulau Burung.

The Seberang Perai council managed to salvage the situation by signing a new contract with the contractor in December last year, under which the garbage collected must now be weighed at the Pulau Burung landfill, not at Ampang Jajar.

"This not only resolved that issue of extra payment to the contractor but was also commended by the Auditor-General as to be the right and accurate decision to make," said Lim.

He did not provide details on the Penang Island Municipal Council's handling of the issue.

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