

## **High consultancy fees: BN gives Penang a week to answer queries**

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**By Nawar Firdaws**

**BN says Penang government should explain why it paid 400% more than the maximum gazetted scale of fees for the detailed design of three main roads linking the undersea tunnel project.**

CYBERJAYA: The DAP-led Penang government has been issued an ultimatum — address allegations it overpaid the consultancy fees for its three roads linking an undersea tunnel project, or be reported to the authorities.

The ultimatum was given today by BN strategic communications (BNSC) team director Abdul Rahman Dahlan.

He said it was time for Penang Chief Minister Lim Guan Eng to answer the questions put forward by the team instead of brushing them off.

“We have all the documentation and we want the Penang government to explain.

“We will submit all the documents to the Malaysian Anti-Corruption Commission (MACC), but we want to give them an opportunity to explain first as we don’t want them to say that we are victimising them.

“Let’s say we give them a week, let them celebrate Hari Raya first,” he told a press conference here.

The documents to which Rahman was referring to include a statement from the federal Board of Engineers, which said the Penang government had paid four times more than the maximum gazetted rate for detailed design fees, which the board had calculated at slightly over RM41 million.

According to BNSC deputy director Eric See-To Choong, who was also present today, Penang had instead paid close to RM177.5 million, an overpayment of RM136.4 million.

“The Penang government should clarify why they have paid 400% higher than the maximum gazetted scale of fees for the detailed design for the three main roads.

“This overpaid amount is higher than the RM100 million spent by the DAP Penang government on flood mitigation efforts since 2008, as claimed by Penang exco Chow Kon Yeow.

“The amount is also equal to 18.2 years of the RM7.5 million cost of Raya bonus given by the Penang government to all civil servants and teachers this year,” he said.

See added that physical construction had not started on any of the roads.

He said Lim had given various excuses for the delays, including delayed reclamation work involving 650ha near the Penang Port.

In April, Lim said the reclamation work had not commenced despite being awarded by the former BN state government to Rayston Consortium Sdn Bhd in 1999.

“Currently, the Penang government states that the earliest construction start date would be in mid-2018, conveniently after GE14 (the 14th general election),” said See.

Rahman said he was not alleging corruption on the state government’s part.

However, he added that the public might see it as such, especially if the state leaders continued to remain silent on the matter.

“I won’t blame the public if they have that perception.”

When contacted, Penang Deputy Chief Minister II P Ramasamy said Rahman and his team had used their “wild imagination” to concoct the allegations.

He said he did not know how Rahman had come up with the figure of 400%, but as far as the Penang government was concerned, “the consultancy fees for the project are in accordance with the earlier open tender” the state had conducted.

“The fees are considered reasonable, well below the stipulated 10% to 15% of the total construction costs,” he told FMT.

“The fees for the project hover around 5.5%, well below the mark.”

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