

Headline	Najib assures LRT3 construction will be within RM9b
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Najib assures LRT3 construction will be within RM9b

by P PREM KUMAR

THE government has denied speculation by certain parties that the construction cost of the Light Rail Transit 3 (LRT3) will amount to RM11.5 billion and stressed that the cost will be contained at RM9 billion.

In giving the assurance, Prime Minister Datuk Seri Mohd Najib Razak said the government has fixed a maximum ceiling for the construction cost. LRT3, stretching from Bandar Utama to Klang, was recently awarded to a consortium of Malaysian Resources Corp Bhd-George Kent (M) Bhd (MRCB-GK) at RM9 billion.

"The cost of LRT3 was fixed at a maximum RM9 billion, and the fees for project delivery partner (PDP) was set at 6% of the final project cost," Najib, who is also the finance minister said in a written parliamentary reply yesterday.

"The actual cost of LRT3, which will be negotiated between Prasarana Malaysia Bhd and MRCB-GK has not been finalised but should not exceed RM9 billion," he said in reply to Raub MP Datuk Mohd Ariff Sabri Abdul Aziz.

Mohd Ariff asked why the contract was awarded to the consortium, despite the joint

venture filed its final bid at the cost of RM11.5 billion.

On Sept 4, public transport operator Prasarana announced the appointment of MRCB-GK as the contractor of LRT3.

Media reports emerged later alleging MRCB-GK had offered a higher price of RM11.5 billion than the cost of RM9 billion, which was fixed by Prasarana.

It won the deal against six other contractors — IJM Corp Bhd, MMC Corp-Gamuda Joint Venture, Naza TTDI-CSR Zuzhou Electric Locomotive Joint Venture, Sunway Construction Bhd, UEM Group Bhd and WCT-Alloy MTD Joint

Venture.

Defending the award, Najib said the LRT3 contract was implemented through a pre-qualification open tender, and further shortlisted into six firms. The joint-venture company was chosen as PDP after it passed the passing mark of 70%, with the highest score of 76.99% and had gone through three levels of assessment, he added.

"The joint venture was chosen based on its experience in similar large-scale projects and quality workmanship. The joint venture also has the ability to fulfil the standards needed for the contract.