

PDP to bear MRT cost overruns of over 15%

By TEE LIN SAY

linsay@thestar.com.my

PETALING JAYA: The project delivery partner (PDP) of the Klang Valley My Rapid Transit (MRT) will bear cost overruns of the project that exceed 15%. But the project's PDP, which consists of Gamuda Bhd and MMC Corp Bhd, is confident that the Klang Valley MRT will be an efficiently-run project and that the cost overruns will not exceed the 15% cap.

"Currently there are some 90 packages of jobs up for grabs and the

biggest packages will be awarded over the next six months. To ensure there are no delays and that we can finish on time, we need to give out all the large contracts soon. We aim to complete all elevated works by December 2016, and for the Klang Valley MRT to be fully operational by July 2017," Gamuda group managing director Datuk Lin Yun Ling told *StarBiz* in an interview.

Should the PDP be able to keep the cost overruns within 15%, it will then be entitled to a fee of 6% of the

> **TURN TO PAGE 2**

MMC-Gamuda frontrunner for Klang Valley MRT tunnel job

> **FROM PAGE 1**

entire MRT project, not including the tunnelling portion of the project. This fee to the PDP consultants would be paid every six months once works begin, Lin said.

MMC-Gamuda is bidding for the tunnelling portion of the Klang Valley MRT estimated to cost RM8bil. MMC-Gamuda is reportedly the

frontrunner for the project.

Lin said that works on the MRT could begin as early as next month.

Meanwhile, there will also be "reimbursables" of 13.9% for PDP overheads and design fees.

The PDP partners will be entitled to claim for PDP overheads amounting to 5.3%. There is an allocation of 5.7% for site investigations and topographical surveys, while a further

2.9% has been apportioned for engineering, consultancy, surveyor and system integration works.

When asked whether Lin would stay beyond his work contract period which ends in 2013, he said that while he would stay beyond 2013, he need not necessarily stay on to the completion of the project.

In late-2010, the consortium of Gamuda-MMC first pitched the MRT

plan to the Government. Since then, it has been appointed as PDP consultants for the MRT project.

The job of the PDP is to deliver the Sungai Buloh-Klang line within the targeted cost and completion time. In terms of its delivery obligations, the PDP is somewhat similar to a turnkey contractor. The Government is also protected from all disputes and claims.