



## **MEDIA RELEASE**

### **MRT CORP FORMALISES APPOINTMENT OF MMC GAMUDA KVMRT (PDP) SDN BHD AS PROJECT DELIVERY PARTNER *Agreement with Independent Checking Engineer (ICE) and Integrity Pledge with MACC also signed***

**Putrajaya, 10 February 2012:** Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) today signed an agreement with MMC Gamuda KVMRT (PDP) Sdn Bhd, formalising the appointment of the latter as the Project Delivery Partner (PDP) for the MY Rapid Transit (MRT) project.

The agreement was signed by MRT Corp chief executive officer Dato' Azhar Abdul Hamid on one part, and MMC Gamuda KVMRT (PDP) Sdn Bhd directors Datuk Haji Hasni Harun and Dato' Azmi Mat Nor on the other part.

The agreement spells out MMC Gamuda KVMRT (PDP) Sdn Bhd's responsibility to deliver the Sungai Buloh-Kajang MRT line within the agreed KPI of Target Cost and Set Completion Date. The appointment of MMC Gamuda KVMRT (PDP) Sdn Bhd as the PDP enables the MRT project to be rolled out efficiently in phases as opposed to appointing a turnkey contractor under a design and build model.

According to Dato' Azhar, an MRT project is of such a size and complexity that carries with it significant risks such as delays and cost overruns. "Appointing a turnkey contractor to build the MRT project might prove to be costly should there be any variation in plans or cost. The PDP model will prevent this from happening," said Dato' Azhar at the signing ceremony.

Chief Secretary to the Government of Malaysia, Tan Sri Mohd Sidek bin Haji Hassan, witnessed the signing of the agreements.

According to the terms of the agreement, the PDP's fee shall be 6% of the total aggregate Work Package Contracts award values. Should the eventual total cost of the project be less than or equal to the target cost, the PDP shall be entitled to the full fee. If the project cost is more than the Target Cost, the PDP fee shall be reduced in accordance with an agreed formula.



“In the traditional model where an engineering consultant is made the PMC, there would be no accountability for outcome. The PDP provides a single point of accountability to deliver the whole project within agreed time and cost targets, and a failure to do so will incur financial penalties,” Dato’ Azhar added.

MMC Gamuda KVMRT (PDP) Sdn Bhd has also been entrusted with the responsibility to develop the Engineering Design & Technical Specifications that meet the Employer’s Requirements and to ensure optimum performance of all other Works Packages Contractors (WPCs) in terms of quality, safety and time.

The PDP will also be responsible for packaging the works, calling tenders on behalf of the Government, evaluating bids, selecting works package contracts with the Government and distributing the award to the contractors on the Government’s behalf.

“We are committed to protecting the public interest and our goal is to take the delivery risk (time and cost) out of the project. We are confident in MMC Gamuda KVMRT (PDP) Sdn Bhd’s ability to carry out the responsibilities based on its technical expertise and experience in undertaking some of the most challenging engineering projects in the country,” Dato’ Azhar added.

The ceremony also saw MRT Corp signing an agreement with HSS Integrated Sdn Bhd and SNC-Lavalin (Malaysia) Sdn Bhd, appointing the consortium as the Independent Checking Engineer (ICE) for the MRT project.

The agreement was signed by MRT Corp chief executive officer Dato’ Azhar Abdul Hamid on one part, and HSS Integrated Chairman Dato’ Ir Rosman Ridwan and SNC-Lavalin (Malaysia) Project Director Mr Jeff Hewitt on the other part.

Under the agreement, both companies will provide oversight on the MRT project and will assist MRT Corp in ensuring that the PDP delivers a safe and efficient transportation system that meets the requirement of the Government and the project owner. The concept of the ICE is common for large scale projects involving large capital expenditure and its objective is to ensure a successful project implementation within budget and specifications.

The occasion also saw MRT Corp signing the Corporate Integrity Pledge with the Malaysian Anti-Corruption Commission (MACC) to assure that both parties uphold anti-corruption



principles in its conduct of business. The Pledge was signed by Dato' Azhar for MRT Corp, and witnessed by MACC Chief Commissioner Dato' Sri Abu Kassim bin Mohamed.

The MRT project owner also signed an Integrity Pact (IP) with MMC Gamuda KVMRT (PDP) Sdn Bhd to guarantee that both parties endorse anti-corruption values as spelt out by MACC.

The MRT project is a key enabler in achieving the nation's Greater KL goal and propelling Kuala Lumpur into the top 20 most livable and economically vibrant cities in the world by 2020.

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