



MMC-Gamuda JV's expertise and experience, including with the Stormwater Management and Road Tunnel project, is said to be one of the reasons it won the bid for the MRT job.

# MMC-Gamuda wins MRT tunnelling job

**PROJECT ON TRACK:** Joint venture secures underground package with RM8.2b bid

## KUALA LUMPUR

**T**HE joint-venture of MMC Corp Bhd and Gamuda Bhd (MMC-Gamuda JV) has won the underground package of the MYRapid Transit (MRT) Sungai Buloh-Kajang line with a bid of RM8.2 billion.

Mass Rapid Transit Corp Sdn Bhd (MRT Corp), which awarded the job, said in a statement MMC-Gamuda JV was selected based on its strengths in design, construction plant and tunnelling equipment and tunnelling and station construction methodology, among others.

The decision was made at the One-Stop Procurement Committee meeting chaired by Prime Minister Datuk Seri Najib Razak on Monday.

"We are committed towards ensuring the success of the MRT project."

"The award shows that the MRT construction work is gaining momentum as we strive to deliver the project within the targeted time and cost," MRT Corp chief executive officer Datuk Azhar Abdul Hamid said in the statement.

The tunnelling works, which will require underground work on an unprecedented scale, is the single largest package of the MRT project and makes up 30 per cent to 40 per cent of the total cost.

Analysts were not entirely surprised that MMC-Gamuda JV won the bid.

"We are not surprised that the JV has

emerged as the ultimate winner, given its expertise and experience with the Stormwater Management and Road Tunnel (SMART) project, as well as the Swiss Challenge condition favouring local contractors over foreign parties," said OSK Research in a report.

OSK has a RM3.71 target price on MMC Corp and a RM4.58 target price on Gamuda.

Works for the underground package will be directly supervised by MRT Corp.

MMC-Gamuda JV was one of five companies or joint ventures that pre-qualified under a stringent set of criteria to tender for the underground package of the MRT project.

The others were Hyundai-Gadang-Chengal Jaya Joint Venture, Taisei Corp, Sinohydro Group Ltd and the China Railway Group Ltd.

All five participated when tenders opened on Oct 27, 2011.

The final evaluation showed that MMC-Gamuda JV offered the best technical criteria and bid, which was 3.4 per cent lower than the second lowest offer.

Tenders had closed on Jan 27, 2012.

MMC Corp and Gamuda's shares rose by 15 sen and 12 sen to RM2.95 and RM3.74, respectively. So far this year, MMC Corp and Gamuda shares have appreciated by 6.5 per cent and 10 per cent, as compared to the three per cent gain on the benchmark FBM Kuala Lumpur Composite Index.