

MMC-Gamuda JV clinches MRT underground package

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PETALING JAYA: The joint venture between MMC Corp Bhd and Gamuda Bhd, MMC-Gamuda Joint Venture Sdn Bhd, has clinched the underground package of the My Rapid Transit (MRT) Sungai Buloh-Kajang line worth RM8.2bil, the biggest portion of the RM30bil MRT project.

Project supervisor Mass Rapid Transit Corp Sdn Bhd (MRT Corp) said in a statement that the consortium offered the most competitive price to design and build the 9.5km MRT underground tunnel and seven underground stations.

It said the decision was made at a One Stop Procurement Committee meeting chaired by the Prime Minister Datuk Seri Najib Tun Razak at Parliament on Monday.

"The consortium was selected based on its

strengths in design, construction plant and tunnelling equipment, tunnelling and station construction methodology especially in the challenging karstic limestone formation, and for the construction plan and resources it committed," it said.

MMC-Gamuda Joint Venture was one of five companies or joint ventures which pre-qualified to tender the underground package of the MRT project.

The other tenderers 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, and were subject to three evaluation stages, namely compulsory document evaluation, technical evaluation and commercial evaluation.

According to MRT Corp, three out of the five

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MMC-Gamuda JV bid 3.4% lower than the next best offer

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tenderers passed the technical evaluation stage which allowed them to proceed to the commercial evaluation stage.

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

MRT Corp CEO Datuk Azhar Abdul Hamid said the project supervisor was committed towards ensuring the success of the MRT project, and the award showed that the MRT

construction work was gaining momentum as it strived to deliver the project within the targeted time and cost.

"The package will require underground work at an unprecedented scale. It makes up 30%-40% of the total project cost," he said.

OSK Research construction analyst Kong Heng Siong said in a report that the announcement was within the house's expectations, with Gamuda's portion working out to be RM4.1bil, given its effective 50% stake in the joint venture with MMC.

He noted that the quantum of the said job was at the higher end of OSK's previous estimate of RM7bil to RM8bil, and works were expected to start as early as the second quarter, with the targeted completion date set for June 2017.

"We are not surprised that the JV has emerged as the 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," he said.

Besides winning the tunnelling

portion of the MRT project, the local consortium is also the project delivery partner (PDP) which will receive a fee of 6% of the total aggregate work package contract value.

The PDP will have to bear cost overrun of the project that exceeds 15%, and is responsible for rolling out the MRT project efficiently in phases as opposed to appointing a turnkey contractor under a design and build model.

Gamuda gained 12 sen to RM3.74 while MMC Corp climbed 15 sen to RM2.95. Both were on the top gainers list yesterday.