



The Smart project is proof of the consortium's ability to handle the MRT tunnelling.

MMC-Gamuda to subcontract 4km of tunnelling works

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KUALA LUMPUR: MMC-Gamuda Joint Venture Sdn Bhd is looking to subcontract 4km of the My Rapid Transit (MRT) tunnelling works to foreign parties, said sources.

A source told *The Edge Financial Daily* that the consortium would subcontract a 4km stretch of the total 9.5km MRT tunnelling works to foreign firms and would also lease the boring machines to them.

"From a project management perspective, the subcontracting of the easier portion will allow the consortium to focus its key personnel on the harder stretch of the work. The benefactors are foreign parties that have experience in tunnelling," the source told *The Edge Financial Daily*.

It is believed that the 4km portion is located within the Kenny Hill formation between the northern portal at Semantan and the Pavilion shopping complex.

The source said the subcontract would allow MMC-Gamuda

to focus on the more challenging karstic limestone formation which dominates the ground between Pavilion and the south portal at Maluri, Cheras.

"The karstic limestone geology is more challenging as it has inter-connecting waterways and cavities caused by water erosion. Any change in pressure could result in collapsed cavities and sinkholes," said the source.

While the source did not provide the quantum and timeline of the subcontract works, the stretch is expected to cost around RM3 billion based on calculations by *The Edge Financial Daily*.

The 9.5km tunnelling works stretch from Semantan to Maluri and include the construction of seven underground stations. MMC-Gamuda will use 10 tunnel boring machines, with the first two expected to be delivered by year-end. Works is expected to begin by March 2013.

Analysts said some of the risks of the tunnelling are delays in land acquisition and the uncertainty of

the upcoming general election.

MMC-Gamuda won the tunnelling job for the Sungai Buloh-Kajang MRT line last month after offering the most competitive bid at RM8.2 billion. The tunnelling job is the single largest MRT package to be awarded and covers around 30% of the total cost of the project.

MRT Corp said the consortium came out tops in the tender due to its technical strength and experience in handling similar underground work. Gamuda-MMC's bid was also 3.4% lower than the second lowest offer in the tender.

However, analysts noted that MMC-Gamuda already had the upper hand due to its appointment as the project delivery partner (PDP) of the MRT project. They said the consortium had past experience in handling the tunnelling for the Stormwater Management and Road Tunnel (Smart) project.

Since the announcement on March 20, MMC and Gamuda have dropped 6.4% and 3.5% respectively to close at RM2.76 and RM3.61 yesterday.