

# MMC-Gamuda JV denies will claim RM1.5bil

**PETALING JAYA:** MMC-Gamuda Joint Venture Sdn Bhd has denied claims that it may be seeking a variation order amounting to RM1.5bil from the Government due to cost overruns in the RM12.5bil Ipoh-Padang Besar electrified double track project (EDTP), said MMC-Gamuda project director Datuk Paul Ha.

"There is no variation order. It is in effect, an expense and loss claim associated with the earlier extension of time (EOT) from 2013 to 2014.

"MMC-Gamuda's claim will be in accordance with the terms as stated in our contract, but it is too early at this point to even determine the amount, but it is nowhere near RM1.5bil," he said in a statement

yesterday.

A variation order is a variation initiated by the client that differs from the original contract that has been specified by the client. A variation is a change in the scope of works as deemed necessary by the client.

Meanwhile, an expense and loss claim is merely compensatory payment to the contractor for actual additional expense incurred due to a delay caused by the Government.

MMC-Gamuda Joint Venture was responding a recent news report that claimed it might ask, as the main contractor of EDTP project, a variation order of RM1.5bil and new extension of time to complete the job to 2015 or 2016.

Ha also dismissed speculations that they were seeking for a new time extension for the project.

"The project is due to complete, as stated by Transport Minister Datuk Seri Kong Cho Ha, by the end of 2014.

"We would like to reiterate that there will be no new EOT for EDTP beyond 2014," he said.

The project was earlier granted an EOT from 2013 to 2014 by the Government.

MMC-Gamuda Joint Venture commenced works for the EDTP (Ipoh-Padang Besar) in January 2008 and extended its original deadline after difficulties in acquiring land caused some initial delays to the project.