

Transparency issues resurface

Several allegations are thrown at MRT Corp and Prasarana over public rail projects

PETALING JAYA: The degree of clarity and transparency for the tendering and bidding process for Malaysia's rail public transportation has once again resurfaced.

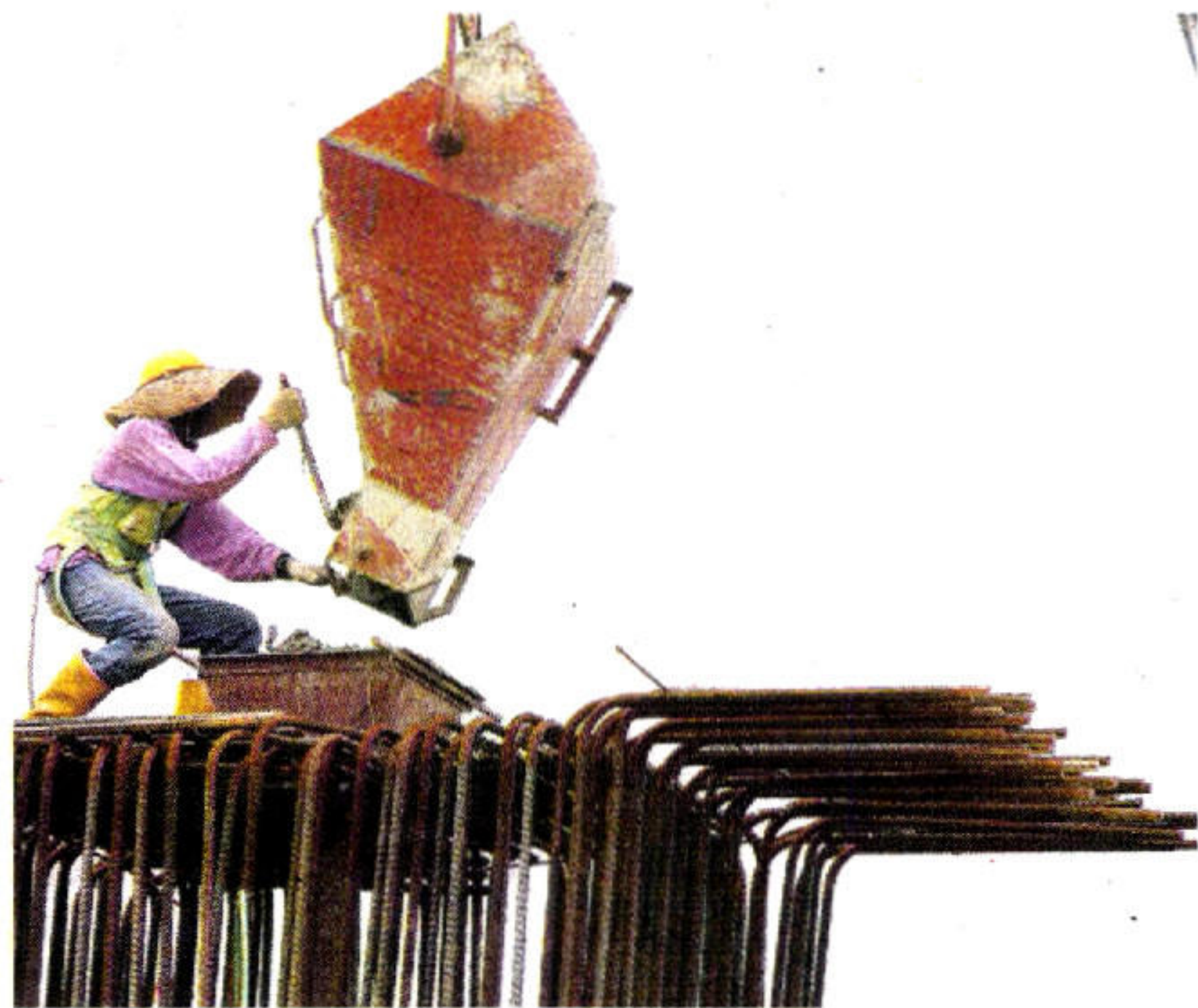
It was reported in an English daily that three out of the six pre-qualified companies have walked away from the RM1.6bil My Rapid Transit (MRT) supply tender for the 51km Sungai Buloh-Kajang line without submitting a bid.

A source familiar with the matter said there were requests for extension and this was duly given by MRT Corp.

"It is obvious that MRT Corp wanted more bidders and an extension was given. MRT Corp meant business when it provided that extension as it wanted a bigger pool to choose from.

"At the same time, it also means business because it has its own deadlines to meet. A delay of three months may result in the completion of the project being postponed by one year," said the source.

The reasons given by the three parties for not submitting their bids although they were qualified to do so included insufficient time to put in their bids and concerns about



A delay of three months may result in the completion of the MRT project being postponed by one year, says a source. - AP

favouritism.

The companies that did not submit their bids were South Korea's Hyundai Rotem Company, Japan's Kawasaki Heavy Industries Rolling Stock Co and Canada's Bombardier Transportation.

Those that have submitted their bids were Germany's Siemens SMH Rail Consortium, Chinese train-makers Changchun Railways Vehicle Co Ltd and CSR Zhuzhou Electric

Locomotive Co Ltd. The winner is expected to be announced in late July.

The source familiar with the matter said there has been "a huge leap in clarity and transparency" in MRT Corp.

"I would reckon that for MRT Corp to make public the full list of bidders is a massive step forward. So (in this particular case) it may be a case of sour grapes," the source said.

Another source said that the global economic uncertainties may have put paid the three foreign companies' pushing ahead with their bids.

"I understand that some of them were really interested at first but decided not to pursue due to the uncertain situation stemming from the eurozone crisis," a source with knowledge of the matter said.

StarBiz understands that at least two of the foreign companies had wanted to preserve capital in view of the bleak economic times.

MRT Corp's director of strategic communications and PR Amir Mahmood Razak said it was inaccurate to say that foreign companies were not interested in continuing with the bidding process.

The fact that the three foreign companies bought the tender documents when they were pre-qualified showed that they were interested.

"These companies had spent money to buy the pre-qualification tender forms," he said.

Amir added that the companies were shortlisted for the job earlier, and all candidates went through a very stringent filtering process.

"MRT Corp has three bids, and we

will now evaluate this bid as planned. By the end of July we should know who won," Amir said.

The issue of clarity and transparency in the tendering and bidding process for the rail packages surfaced in April.

It involved a British and a South Korean company over the Ampang light rail transit and its extension and re-signalling package.

In that particular instance, Syarikat Prasarana Negara Bhd favoured a South Korean group but the final say was to be given by the Finance Ministry.

The validity of the bid for the systems contract for the Ampang line extension has been extended three times, since tenders closed on June 16, 2011.

Prasarana is a wholly-owned company set up by the Finance Ministry to facilitate, undertake and expedite public infrastructure projects.

The award has not been given and Prasarana group managing director Datuk Shahril Mokhtar hoped that the Government would award the systems contract for the Ampang LRT line extension soon to avoid further delay in completing the job.