

Lessons to be learnt

Last week's decision by Mass Rapid Transit (MRT) Corp Sdn Bhd to award Germany's Siemens a RM1.3 billion contract to supply the rolling stock for the city's RM50 billion Klang Valley mass rapid transit project brought to an end a not-so-pretty chapter of the government's tender process for large infrastructure works. The tender was marred by allegations of political meddling and mid-stream changes to accommodate a new bidder. As a result, only three of the six companies that were pre-qualified for the tender put in bids. South Korean trainmaker Hyundai Rotem Co declared in the early weeks that it was pulling out while Kawasaki Heavy Industries Rolling Stock Co of Japan and Canada's Bombardier Transportation waited until the closing date to inform MRT Corp that they would not be participating in the tender to supply 58 four-car electric train sets. Apart from Siemens, the other two bidders were Chinese trainmakers Changchun Railways Vehicle Co Ltd and CSR ZhuZhou Electric Locomotive Co Ltd. The tepid international response immediately raised eyebrows and triggered allegations that the late entrant into the bidding exercise, CSR ZhuZhou, was being favoured. MRT has repeatedly denied the allegations of favouritism. In any event, Malaysia lost. From a public standpoint, taxpayers were denied a transparent selection process involving an international cast of bidders, which would have ensured that the country got the best possible train network. Siemens is good, but it is not the leader in driverless trains. Hyundai Rotem is widely considered to be the best in the field. In the end, industry executives familiar with the tender process say, the toss-up was between Siemens and Changchun. CSR ZhuZhou did not make the final cut. There ought to be lessons for MRT Corp, whose professionalism is highly rated by industry executives, from this tender process. Ensuring transparency and fending off interference is not easy, but it pays off in the long run.