

## PRIME NEWS

# 'MRT project on track and well within budget'

**END IN SIGHT:** Line 1 from Sungai Buloh to Kajang 78pc completed, says CEO

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**T**HE Mass Rapid Transit (MRT) project, the country's largest infrastructure development and backbone of the city's public transportation network, is on schedule and within the targeted cost.

MRT Corp Sdn Bhd chief executive officer Datuk Seri Shahril Mokhtar said MRT Line 1, from Sungai Buloh to Kajang, was close to 78 per cent completed.

"It's a great achievement. With that, we will be able to meet the deadline," the 43-year-old said.

The Urban Rapid Development Plan by the Land Public Transport Commission (SPAD) identified three MRT lines to serve as the backbone of the integrated public transport network for the Klang Valley.

Line 1 is the Sungai Buloh-Kajang line (SBK), Line 2 is the Sungai Buloh-Serdang-Putrajaya line (SSP, targeted completion is 2021/22) and Line 3 is the Circle Line.

In an interview with the *New Straits Times*, Shahril said phase one of Line 1, from Sungai Buloh to Semantan, should start operating by December. Phase two, from Semantan to Kajang, should be operational by July next year.

"The work packages we have awarded (so far) are around RM22 billion and the target cost is RM23 billion. So, we have a buffer. I'm confident that we will work within the target cost," said Shahril, who took over the helm of MRT Corp on Jan 5 last year.

The father of four has been involved in transportation infrastructure for close to two decades. He was Prasarana Malaysia Bhd group managing director, a position he held since 2010. Prior to that, he was chief operating officer of SPAD.

• There are 84

packages for Line 1, compared with 66 for Line 2. Line 1 is 51km long and has 31 stations, with an underground portion of 9.5km. Line 2 is 52.2km long with 37 stations, of which 13.5km is underground.

Shahril said the MRT project had stayed on track and within budget, thanks to the Project Delivery Partner (PDP) approach.

"By having a highly competent contractor as PDP, the government eliminates the risk of cost overrun. There will be no surprises. We will know upfront that the construction cost is capped.

"The PDP concept provides a single point of accountability in terms of project budget, delivery programme and quality of work,"

added the University of Missouri alumnus, who graduated with a degree in Industrial and Organisational Psychology.

The PDP for the Sungai Buloh-Kajang line, MMC-Gamuda, is motivated to save time and money to earn the PDP fees. If any packages undertaken by contractors fall behind schedule, MMC-Gamuda is required to step in and help speed up completion.

The PDP approach is likely to be implemented in other mega projects, including the Pan-Borneo Highway and Light Rail Transit 3.

"The MRT project is the first to adopt the PDP concept.



The Project Development Partner concept adopted for the MRT project eliminates risk of cost overrun and ensures quality of work.

We've learnt a lot from it and identified areas to improve on safety, traffic management and stakeholders' relations. Ultimately, the PDP concept is to ensure the projects are delivered on time, within cost and without compromising on safety and quality."

In terms of Bumiputera contractor participation, Shahril said for Line 1, 23 of 84 packages, valued at 43 per cent of RM23 billion, were targeted at Bumiputera contractors.

"That's quite huge, including underground packages. For Line 2, I'm confident it will be higher. I ex-

pect 37 out of 66 packages to go to Bumiputera contractors."

Feasibility studies are underway for Line 3, which is meant to close the loop.

"We don't have to wait until we finish construction of Line 2. We want to do this as soon as possible because if we don't do it now, the cost is going to be much higher later. This is for the people."

"The work packages we have awarded (so far) are around RM22 billion and the target cost is RM23 billion. So, we have a buffer. I'm confident that we will work within the target cost.

**Datuk Seri Shahril Mokhtar**





The Kota Damansara MRT Station. When it comes to mega projects, there is no running away from accidents, but MRT Corp Sdn Bhd is seeking ways to minimise risks.

## Sharing the burden of responsibility

**Q: The MRT introduced the Project Development Partner (PDP) concept in infrastructural development. What exactly is PDP?**

**A:** The PDP is a good mechanism to help the government minimise risks to its coffers as it relegates some of the burden of "delivering on time and within budget" to the private sector. As the PDP for the Sungai Buloh-Kajang line, MMC-Gamuda is expected to do all it can to save time and money.

Should any of the job packages undertaken by other contractors go behind schedule, MMC-Gamuda, motivated by the PDP fees, is required to step in and help speed up completion.

By having a highly competent contractor as PDP, the government eliminates the risk of cost overrun. There will be no surprises. We will know upfront the construction cost is capped.

The PDP concept provides a single point of accountability in terms of project budget, delivery programme and quality of work. Also, by having a PDP, we can continue to operate in a lean structure.

**Q: Most mega projects face delay and cost overruns even though there are project management consultants. How does the role of PDP differ from that of project management?**

**A:** The PDP is penalised for delays, which usually lead to cost overruns. With this hanging over the

PDP's head, it is in their interest to ensure timely delivery. The PDP must be experienced and competent to execute the "step-in" mechanism that helps prevent delays. PDP fees being dependent on safety and work quality ensure no corners will be cut as the project is delivered on time.

**Q: Can you describe MRT Corp's relationship with MMC-Gamuda?**

**A:** Our relationship is like husband and wife. MRT Corp is the project owner and MMC-Gamuda is the PDP. We do checks and balances, that's our role. We have a good relationship. If we don't, how can we achieve our ultimate goal, which is to ensure Line 1 is completed on time and within budget?

**Q: How has MMC-Gamuda performed as PDP for Line 1? What have they achieved and have there been shortfalls?**

**A:** I believe the proof is in the pudding. As you can see, construction of Line 1 and the progress of Line 2 are on schedule and within cost. The MRT project is the first to adopt the PDP concept. We've learnt a lot from it and identified areas to improve on safety, traffic management and stakeholders' relations.

**Q: One of the biggest stumbling blocks to mega projects is the protest against land acquisition for public use. Can you tell us**

**about the law concerning land acquisition?**

**A:** Since we're building MRT lines in an already built-up environment to service densely populated areas, land acquisition is inevitable. As project owner, we want to minimise land acquisition that is carried out under Section 3(a) of the Land Acquisition Act 1960.

The law provides for the government to embark on compulsory acquisition of private land for public purpose. Private landowners cannot object to the acquisition but are assured of proper compensation based on the market value of the land.

It gets complicated when it involves portions of MRT lines that go underground. In Malaysia, landowners own the topside and underground portion as well. If we tunnel beneath private land without consent, it is trespass. To overcome this, we either have to acquire the land or secure consent through mutual agreements.

**Q: When land acquisition is carried out, how is the land valued? How does the government**

**ensure equitable compensation?**

**A:** The Finance Ministry's Valuation Department carries out valuation of land parcels that are acquired for public use. Private landowners can carry out their own valuation and present it during the land hearing. The cost of this private valuation is paid by the government. Landowners are allowed to seek legal recourse if they are not satisfied with the compensation amount.

**Q: What are the steps taken to ensure better enforcement of safety practices?**

**A:** From Line 1, we have learnt a lot on safety management on such a big scale. For Line 2, we have improved on quite a lot of things. We revamped the system to increase supervisors on the construction site. When it comes to mega projects, there is no running away from accidents, but we have to find ways to minimise risks.

We have set up a Safety Training Academy with MMC-Gamuda in Sungai Buloh. We introduced a number of safety courses throughout the year because safety is con-

tinuous, not a one-off. We work with the National Institute of Occupational Safety and Health and Construction Industry Development Board to improve the safety syllabus and training. A lot of things are being done. In the past year, accident rates have gone down tremendously.

**Q: What has MRT Corp learnt about traffic management from Line 1?**

**A:** It is all about communication. I think we have one of the best traffic management standards. If you go down to the ground you can see that, from the signage to the system. We're going to improve on Line 2 after learning from Line 1.

Even in the tender itself, we have put a fixed sum for safety and traffic management. Potential bidders will know what to expect.

This time around, we say safety will cost "this much" and traffic management will cost "so much". We will bring these potential bidders to Sungai Buloh. We will show them what to expect when it comes to traffic management. So, it's much better this time around.

→ Continued next page

### Safety & health statistics (as at Dec 31, 2015)

Year	Average No. of workers/month	Cumulative manhours	No. of reportable incidents	No. of fatality	*Fatality rate	**Incident rate	***Frequency rate
2011	112	311,884	1	0	0	8.93	3.21
2012	1,487	4,812,680	6	1	0.67	4.04	1.25
2013	5,723	22,362,826	35	0	0	6.12	1.57
2014	11,369	30,899,998	60	4	0.35	5.28	1.94
2015	12,977	38,499,250	48	2	0.15	3.70	1.52

\*Fatality rate = No. of fatality / Average number of employees X 1000

\*\*Incident rate = No. of reportable incident / Average number of employees X 1000

\*\*\*Frequency rate = No. of reportable incident / Total manhour worked X 1,000,000



## PRIME NEWS

→ From Page 11

**Q: What is the progress of MRT Line 1 and 2?**

**A:** We're working on two lines. As far as Line 1 (Sungai Buloh-Kajang) is concerned, we're close to 78 per cent progress overall, elevated and underground. For a project of this magnitude, the fact that the team has achieved 78 per cent in four years plus is a great achievement. With that, we will be able to meet the deadline.

Phase one of Line 1, which is from Sungai Buloh to Semantan, will be operational by December. Phase two, which is from Semantan to the end of the line, the Kajang station, should be operational by July next year.

As far as cost is concerned, it is within our target cost. A few years ago, my predecessor announced that the target cost was RM23 billion, only for work packages, excluding consultancy such as PDP fees, consulting engineering fees and overheads. On top of that, we put in 15 per cent contingency fees. It's all part of the agreement with the government.

The work packages we have awarded are around RM22 billion and the target is RM23 billion. So, we have a buffer. I'm very confident that we will work within the target cost.

**Q: It has been over a year since you helmed MRT Corp. What were your initial expectations when you first took up this position?**

**A:** I've been here just over a year. Actually, I have been sitting on the board since Day 1, so I'm very familiar with MRT Corp. So, on the first day I came in, I could



Workers celebrating the end of tunnelling work at the **Pasar Seni MRT Station**. **If people are happy, they will increase productivity** by putting more effort into their job, says MRT Corp Sdn Bhd chief executive officer **Datuk Seri Shahril Mokhtar**.

straightaway continue whatever my predecessor started. Another challenge was how to make this company do better when it was operating very well.

I don't like things to be too bureaucratic. I want things done fast. So, we have fewer meetings. I do meet with the project directors once a week, one hour, each of them, just to clear things. There are 490 people here. About 65 per cent are between 20 and 40 years old. We have a young workforce.

I stress a lot on welfare. If people are happy, they will increase productivity and put more effort and energy into their job.

My colleagues will have to de-

liver the good news, that is their job. I want to know the issues, that's where I come in. If there's a bottleneck somewhere, I want to sort it out. I love facing issues. That's how I add value, that's how I make myself relevant.

**Q: How have your stints at RapidKL, Land Public Transport Commission (SPAD) and Prasarana Malaysia helped you in your current role at MRT Corp?**

**A:** RapidKL and Prasarana provided me with knowledge about public transport operations, which is relevant for me to steer MRT Line 1 from the stage of development

to operations.

And, of course, my stint at SPAD allowed me to be familiar with the legal and regulatory framework within which the MRT project is to be developed.

So far, it has been 10 years in public transportation. Before that, I was at Penerbangan Malaysia Bhd. It was an infrastructure company. We bought planes and engines. We did restructuring. I learnt a lot when I was there.

**Q: What are the changes you have initiated in the past year? What are the challenges you have overcome?**

**A:** We have coaching and mentoring programmes. At the end of the day, the only thing that I can leave behind is the developmental needs I have initiated for my colleagues. I believe in giving them freedom to express themselves and, in turn, I'm directly accessible. I'm on Twitter, Facebook and Instagram.

Once a month, every Friday, we have a *nasi lemak* session. I would call between 10 and 15 of my staff for an hour to 90 minutes. We can talk about anything. I always believe in direct contact because I want to know what is happening on the ground. We can explore ideas and suggestions.

Before I came in, there was no dress-down day. Now, every day is a

dress-down day except for Monday. I want my colleagues to wear the uniform every Monday because I don't want to lose sight of the MRT logo. It is on the left side of our uniform, which is on top of our hearts. Since this new policy came into place, the productivity level has increased. My staff enjoy coming to work in jeans.

**Q: You're a graduate of Industrial and Organisational Psychology. What are the things you learnt that are applicable to what you do today?**

**A:** I had thought about what I wanted to do, what I wanted to be. In this world, it's all about people. Industrial psychology is about the study of people at work.

I believe things will be easier if we understand people's needs or aspirations. While we have machines and computer programmes, these are invented by people. If you manage people better, the results will be much better. That is my main aim and I learnt a lot from that course.

Employee welfare is a very important area which is often neglected in organisations. I would like to ensure opportunities for individual career growth and good work-life balance. Technically speaking, when it comes to engineering and construction methods, I have very competent colleagues.

**Q: In leading MRT Corp, what is your greatest fear?**

**A:** My greatest fear is related to the construction of the project, namely if lives are lost because of carelessness. We're doing a lot to prevent this. The construction industry does not have a very good reputation when it comes to safety culture. We want to change that. Hopefully, people will see that we're improving.

**Q: What are the achievements at MRT Corp you are most proud of?**

**A:** I'm proud that the project, both Line 1 and 2, are on schedule and within cost. I think this is really significant for a government-funded project. I will be the happiest man when I see passengers walking into our trains by the end of this year.

Tomorrow: Part II in BT



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**Datuk Seri Shahril Mokhtar**  
MRT Corp Sdn Bhd chief executive officer

## 'I love facing issues'

MRT Corp chief executive officer Datuk Seri Shahril Mokhtar figured out quite early the secret to accomplishing any task — it is all about people.

"I believe things will be easier if we understand people's needs or aspirations. If you manage people better, the results will be much better," the 43-year-old said in an exclusive interview with the *New Straits Times*.

Shahril, who has headed MRT Corp for just more than a year now,

graduated from the University of Missouri with a degree in Industrial and Organisational Psychology.

"You may wonder why I studied this course. I had thought about what I wanted to do, what I wanted to be. Industrial psychology is about the study of people at work," he said.

Shahril, who has spent almost two decades of his life working in the public transportation sector, said employee welfare is a very impor-

tant area which is often neglected in organisations.

"I would like to ensure opportunities for individual career growth and good work-life balance."

Shahril was Prasarana group managing director, where he oversaw the restructuring of the country's largest public transport company.

He had also served as chief operating officer at the Land Public Transport Commission (SPAD) and general manager of Corporate Planning in RapidKL.

In MRT Corp, he has initiated

coaching and mentoring programmes, bearing in mind that 65 per cent of the company's employees are between 20 and 40 years old.

Shahril, who also holds a Master of Management (with distinction) from Universiti Malaya, has reduced bureaucracy to improve productivity and efficiency.

"I want things done fast, so we have fewer meetings. I meet project directors once a week, one hour, each of them, just to clear things."

He introduced dress down days at

MRT Corp (every day except Mondays) and noted how productivity levels have increased and staff enjoy coming to work in their jeans.

"If people are happy, they will increase productivity and put more effort and energy into their jobs."

"My colleagues will have to deliver the good news, that is their job. I want to know the issues, that's where I come in. If there's a bottleneck somewhere, I want to sort it out. I love facing issues. That's how I add value, that's how I make myself relevant."