

**Press Statement**

**15 April 2011**

**CLARIFICATION TO THE MALAYSIAN INSIDER'S "MRT'S FIRST CONTRACT RUNS INTO CONTROVERSY"**

I refer to the article "MRT's first contract runs into controversy" (The Malaysian Insider- April 14) and wish to clarify some points raised by the writer.

Syarikat Prasarana Negara Berhad (Prasarana) and all agencies involved in the Klang Valley MRT project are committed to ensure that the project will be undertaken in a transparent manner. We place great emphasis in ensuring that all regulatory guidelines pertaining to the project, including awarding of contracts, are carefully followed and implemented.

The concept of an Independent Checking Engineer (ICE) is common for large-scale projects involving large capital expenditure and requiring a high degree of integration to meet the key objectives: implementation on schedule, and within budget and specifications.

The appointment of the KVMRT ICE is not finalised. Speculation of the ICE fee quantum at this point will only jeopardise our ability to negotiate competitive fees from the ICE candidates. Prasarana will table the best negotiated fee to the Ministry of Finance, who is the final approving authority on this appointment.

The eventual appointed ICE will be selected based on competitiveness of fees, track record, experience, reputation and conflict of interest. The consortium led by HSS Integrated Sdn Bhd is one of the ICE candidates that are being evaluated at the moment.

To the writer's point regarding the relationship between HSSI and the Project Delivery Partner (PDP) MMC-Gamuda JV, the PDP has clarified that HSSI was one of the many local consultants who were engaged for the Electrified Double Track Project (Ipoh to Padang Besar). HSSI was appointed to design road bridges for the project in May 2007 and they completed their job in May 2008.

The Government is committed to closely scrutinise the costs and delivery of this crucial national infrastructure project for the benefit of the Malaysian public. Prasarana, as the project owner, is committed to ensure transparency and timely delivery of this project.

**Shahril Mokhtar**

**Group Managing Director**

**Syarikat Prasarana Negara Berhad**