



MEDIA RELEASE

MRT CORP ACCEPTS DECISION ON SSP LINE, FULLY SUPPORTS GOVT'S COST CUTTING EFFORTS

Construction timeline may be reviewed as a result of changes to project structure

Kuala Lumpur, 8 October 2018: Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) accepts and welcomes the Government's decision to change the project structure from the project delivery partner (PDP) model to that of turnkey contractor for the construction of elevated portion of the MRT Sungai Buloh-Serdang-Putrajaya (SSP) Line.

MRT Corp also accepts the decision of the Government to terminate the current contractor for underground works and for this work package to be retendered.

MRT Corp Chief Executive Officer Dato' Sri Shahril Mokhtar said the company fully supported the decisions as it was made on the premise of cost-cutting and saving taxpayers' money.

"The successful negotiations involving the Ministry of Finance, MMC Gamuda KVMRT (PDP SSP) Sdn Bhd as PDP of the SSP Line, and other parties demonstrates MRT Corp's commitment towards helping the Government achieve its objective," he said.

He added that the reduction of construction cost for the 38.7km elevated section of the SSP Line announced by the Ministry of Finance from RM22.64 billion to RM17.42 billion was significant and represented good savings for the Government and taxpayer.

He added that the scope reduction involved in the cost rationalisation exercise that was carried out did not involve reducing the number of elevated stations, which would remain at 24.

The current progress for the elevated works is 30%.

For the SSP Line underground works, Shahril said MRT Corp would urgently work towards getting the new tender exercise off the ground which would be opened up to international companies.

"Once a new underground works contractor is appointed, MRT Corp will ensure a smooth handover from the previous contractor MMC Gamuda KVMRT (T) Sdn Bhd. As with all previous tenders carried out by MRT Corp, we will ensure that the retendering process is absolutely transparent," he said, adding that MRT Corp would continue adhering to the principles of integrity and good governance in its business activities.



As the underground works was currently 39% complete, Shahril said the termination and retendering process would be relatively complex. The timeline for this process would be established once the details were confirmed.

“As a result of this, as well as the move from the PDP model to that of a turnkey contract for the elevated works, we believe that the overall construction timeline for the SSP Line will have to be reviewed,” he said.

He said MRT Corp’s immediate concern was to ensure that all project sites, both on the ground as well as underground, were safe so that they would not pose a risk to the public and surrounding buildings and structures.

He added that the change in project structure should not compromise the high standards of safety, health and environment which MRT Corp had previously imposed on the PDP and work package contractors.

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