



KUALA LUMPUR, Oct 19 – The government may have to bear part of the RM1.14 billion loss in the 179km rail double-tracking contract between Rawang and Ipoh as the project was poorly managed.

An audit of the project carried out from August 2008 to January 2009 discovered identified several weaknesses in its implementation such as the delay, and the procurement of extra equipments and coaches not keeping in steps with the infrastructural development causing the infrastructure to be not fully optimised.

“As the project was not properly managed, it did not meet the objective of its implementation,”

according to the Auditor General's Report 2008.

The report feels that the Transport Ministry should have taken firm action against the project manager, Syarikat Kinta Samudera-Opus Consortium (KS-Opus), for not allegedly not reporting its dismal performance to the Finance Ministry so that its services could be terminated.

“Based on the feedback by the Transport Ministry, KS-Opus work performance was not satisfactory. The company had failed to shoulder the responsibility as specified in the contract,” it said.

There was no proof that that the Transport Ministry had reprimanded the project manager and informed the Finance Ministry, nor was there proof that it had provided quarterly reports on the project manager's performance as required by the Treasury Circular No. 8 year 2006.

The report said that the full amount of the losses could not be claimed from the original contractor, DRB-Hicom Berhad as its maximum liability was only 10 per cent of the contract or RM257.99 million.

DRB-Hicom could not complete the infrastructural package by Dec 10, 2003 as it merely completed 76.8 per cent of the project before its contract was terminated on Aug 5, 2005.

“The ministry should have slapped the Liquidated Ascertained Damages (LAD) amounting to RM80.88 million (RM164,727 per day) on DRB-Hicom for its failure to complete the project as scheduled,” it added.

DRB-Hicom’s failure had prompted the government to appoint another contractor to complete the remaining 22.4 per cent of the project by appointing UEM Construction Sdn Bhd (UEMC) as the main contractor through direct negotiation by awarding a cost-plus contract worth RM772.05 million in June 2005.

Until December 2008, RM5.77 billion had been spent to implement the project, RM1.43 billion (32.9 per cent) higher than the worth of the original contract at RM4.34 billion.

On the quality of work, the construction of rail stations were satisfactory except for the roof of a pedestrian bridge connecting two platforms at the Tanjung Malim station which was found to be too high for comfort when it rained.

The report said electric coaches were supposed to be used in the train services on the double track between KL Sentral and Ipoh in December 2008, and instead they were powered by diesel.

“A RM240 million allocation was sought under the Eight Malaysia Plan (8MP) to buy six electric train sets (ETS) but only RM20 million was approved.

“Only in the Ninth Malaysia Plan (9MP), RM249.6 million was approved for the purchase,” it said. On the 10 Automatic Fare Collection System (AFCS) worth RM54.43 million, the report said only five stations in Serendah, Batang Kali, Rasa, Kuala Kubu Baru and Tanjung Malim were fixed with the AFCS while the remaining AFCS were stored in Kuala Kubu Baru, Behrang and Slim River.

“The weaknesses in planning and the failure in coordinating the AFCS procurement had actually caused an over purchase of five sets worth RM27.22 million. If the equipments remain unused, it is a wastage,” it said. – Bernama

Here we go again - Govt may bear RM1.14b double-tracking loss

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Picture (Batang Kali 2 station under construction) / www.ktmrailwayfan.com