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'RM9b LRT3 jobs up for bids early next year'

36KM LINE: A total of 65 packages expected to be awarded

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MRCB George Kent Sdn Bhd will start awarding some 65 packages worth up to RM9 billion for the Light Rail Transit 3 (LRT3) project from early next year, say sources.

The company, a 50:50 joint venture between Malaysian Resources Corp Bhd (MRCB) and George Kent (M) Bhd, is the project delivery partner (PDP) for LRT3.

The project owner, Prasarana Negara Bhd, announced the appointment of MRCB and George Kent as the PDP for LRT3 on September 4.

Prasarana also capped the LRT3 at RM9 billion. The amount excludes land acquisition cost, which is estimated at RML5 billion to RM2 billion.

As PDP for LRT3, the joint venture

will receive a six per cent fee on the project's RM9 billion cost. This equates to RM540 million over the project's five-year period.

Pre-qualification for the main contractors is expected to open by February next year, followed by preliminary design work, design management and all procurement items.

"MRCB and George Kent, as the PDP operator, are not allowed to bid. But, if there are no takers for any particular tenders, they are allowed to come in and do the job. This is to ensure that the LRT3 is completed within schedule and budget.

"The joint-venture company will call separately for tenders to appoint Bumiputera contractors for the LRT3," the source said.

LRT3, to be completed by August 2020, is a 36km line from Bandar Utama to Klang. The line will start from the One Utama MRT station to the Johan Setia station, near Bandar

Parklands in Klang.

There will be a total of 25 stations and a 2km underground tunnel near the Persiaran Hishamuddin station in Shah Alam.

Meanwhile, it is understood that MRCB and George Kent's closest contender for the PDP award was Sunway Bhd.

"MRCB and George Kent were neck to neck with Sunway. The other contenders were nowhere close. MRCB could differentiate from Sunway as a transit-oriented developer (TOD), which will benefit Prasarana as it looks to diversify its earnings base.

"Another winning point was the set up of George Kent, which is the only local systems provider in Malaysia. The marriage of MRCB and George Kent, which are involved in the ongoing LRT extension and MRT projects, will ensure a lot of local involvement in the project," said the source.