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Media Release - MRT Corp & MMC Gamuda Sign A Supplemental Agreement For MRT 2 (The Sungai Buloh-Serdang-Putrajaya Line Or SSP) Resulting In A RM8.82 Billion Reduction In Construction Cost

☐ Friday, Jan 17 2020

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MEDIA RELEASE
MINISTER OF FINANCE MALAYSIA
YB TUAN LIM GUAN ENG



MRT CORP & MMC GAMUDA SIGN A SUPPLEMENTAL AGREEMENT FOR MRT 2 (THE SUNGAI BULOH-SERDANG-PUTRAJAYA LINE OR SSP) RESULTING IN A RM8.82 BILLION REDUCTION IN CONSTRUCTION COST

Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) and MMC Gamuda KVMRT (PDP SSP) Sdn Bhd today signed a Supplemental Agreement to the Project Delivery Partner Agreement for the MRT Sungai Buloh-Serdang-Putrajaya (SSP) Line, which is better known as MRT 2.

The signing of the Supplement Agreement marked the conclusion to the rationalisation process that contributed to the RM8.82 billion reduction in construction cost from RM39.35 billion to RM30.53 billion. The RM8.82 billion represents a saving of 22.4% over the original cost of constructing MRT 2, as negotiated between the Government and MMC-Gamuda in October 2018.

The agreement was signed at the Ministry of Finance between MRT Corp and MMC Gamuda KVMRT (PD SSP) witnessed by Finance Minister YB Tuan Lim Guan Eng, Transport Minister YB Tuan Anthony Loke Siew Fook and the Deputy Federal Territories Minister YB Datuk Dr Shahrudin Md Salleh. Signing for MRT Corp was Chief Executive Officer Encik Abdul Yazid Kassim, while MMC Gamuda KVMRT (PDP SSP) was represented by the company's Directors Dato' Sri Che Khalib Mohamad Noh and Dato' Ir. Paul Ha.

With the Supplemental Agreement, MRT Corp and MMC Gamuda can fully focus on delivering the MRT 2 on time and within cost, in order to provide Malaysians with a modern, efficient, reliable, safe and green mode of transportation.


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Ministry of
Finance Malaysia
No. 5 Persiaran
Perdana Presint 2,

The RM8.82 billion cost savings

The RM8.82 billion cost savings were achieved by building MRT 2 progressively to meet current demand, while providing space for upgrade for future needs.

The progressive approach avoids building MRT 2 as quickly as possible to its maximum capacity with little regards for current demand and the unsustainable level of debt that will arise from such projects. The progressive approach taken does not compromise on the quality, safety and operational efficiency of the MRT system.

Among the factors behind the cost savings were:

- Conversion of the project structure from a project delivery partner structure model to that of a turnkey model resulting in a saving of the Project Delivery Partner fee
- Rationalisation in the allocation of reimbursables, contingencies and provisional sums
- Deferment and rationalisation of elevated works and underground structures. For example, by deferring the construction of Bandar Malaysia stations and by having a more modest architectural finishing
- Scope rationalisation for electrical and mechanical system works.

Despite the change in project structure, the Government has ensured that the original target for Bumiputera participation of 45% of total contract value, which will amount to RM13.7 billion, was maintained.

Construction progress and operational date

Federal
Government
Administrative
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62592 WP
PUTRAJAYA

☐ 03-8000 8000
☐ 03-88823893 /
03-88823894



The current work progress for MRT 2 is 70%. Major works are expected to complete in 2022 and MRT 2 will become fully operational by 2023.

Phase One of MRT 2 that runs from Kwasa Damansara station to Kampung Batu Station will become operational in July 2021. Phase Two that continues on from Kampung Batu station to Putrajaya Sentral station will become operational by January 2023..

Sayangi Malaysiaku!

Lim Guan Eng

Minister of Finance

Ministry of Finance Malaysia

Putrajaya

17 January 2020

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