

Highlight

# MRT Corp calls for tender to build and finance MRT3 line

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KUALA LUMPUR (Nov 6): Mass Rapid Transit Corp Sdn Bhd (MRT Corp) has invited local construction and infrastructure development firms to participate in the tender process to build, on a turnkey basis, and provide financing for the upcoming third mass rapid transit (MRT3) line, which analysts have estimated to cost between RM35 billion and RM40 billion.

According to the notice of tender, MRT Corp said the successful applicant will be responsible for the engineering, procurement, construction, testing and commissioning of the 40km MRT3 line, featuring 32km of twin-bored tunnels and 8km of elevated viaducts.

MRT Corp said the successful tenderer for the upcoming MRT3 line is also expected to develop tunnels, viaducts, stations, depots, trackworks, rolling stock, signalling, power supply and other related structures.

“The permanent works shall be designed to permit the railway to operate at a maximum operating speed of 100 km per hour, with an operationally proven grade of automation — level 4 signalling systems for driverless urban metro system,” MRT said in the notice.

To participate in the tender process, MRT Corp said prospective applicants may form joint-ventures, consortium, partnerships or similar arrangements — with or without a separate legal entity.

As for the JV, MRT Corp noted it must not comprise of more than eight members.

In order to qualify and participate in the tender process, MRT Corp said prospective applicants must meet the minimum financial capacity of having a paid-up capital and a shareholder’s fund that is not less than RM5 billion.

MRT Corp said the applicants must simultaneously demonstrate a positive earnings ratio over the last three years, calculated based on average net profit to average turnover.

As for the financing proposal, MRT Corp said it should include a minimum financing period of 30 years, with a drawdown period of up to 2028, while the margin of financing must not be less than 90% of the expected total project cost.

MRT Corp said financing can be obtained in five different currency denominations: Malaysian ringgit, US dollar, Chinese renmini, Japanese yen or Euro.

“The financing shall be in a single currency only, which must match the currency of contract price payments,” MRT Corp added.

Prior to submitting the tender, MRT Corp said prospective applicants are required to attend a tender briefing on Nov 15 and purchase the tender document valued at RM53,000.

The upcoming MRT3 line, the final alignment in the overall scheme of urban rail line, will feature 26 stations, of which 19 stations are underground and 7 stations elevated, the company added/

In his Budget 2018 speech, Prime Minister Datuk Seri Najib Razak said the government, through MRT Corp, will expedite the construction of MRT3 or Circle Line and expects it to be completed by 2025, earlier than the initial target in 2027.

While MRT Corp has not revealed the preliminary alignment of the upcoming rail network, it was reported that the MRT3 line is said to cover Ampang Jaya, Kuala Lumpur City Centre, Jalan Bukit Bintang, Tun Razak Exchange, Bandar Malaysia, KL Ecocity, Pusat Bandar Damansara, Mont Kiara and Sentul.

The MRT3 line is also said to be integrated with the first line (MRT1) stretching from Sungai Buloh to Kajang, and the second line (MRT2) connecting Sungai Buloh to Putrajaya via Serdang.

MRT1 was built at a cost of RM21 billion, a RM2 billion saving from an initial forecast; while MRT2, which is still under construction, is estimated to cost RM32 billion once it is completed.

In September, CIMB Investment Bank Bhd had estimated the construction cost of MRT3 to range between RM35 billion and RM40 billion, based on assumption it will be built at a cost of RM1 billion per km for the underground portion, which is benchmarked on MRT 2, and RM500 million per km for the above-ground portion.