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MRT Corp invites bids to build, finance MRT3 **8 HOME BUSINESS**

MRT Corp invites bids to build and finance MRT3

Analysts have estimated that the Circle Line will cost between RM35 billion and RM40 billion

BY SULHI AZMAN

KUALA LUMPUR: Mass Rapid Transit Corp Sdn Bhd (MRT Corp) is inviting local construction and infrastructure development companies to participate in its tender to select a turnkey contractor to build and finance, on a turnkey basis, the upcoming mass rapid transit Line 3 (MRT3), also known as the MRT Circle Line, which analysts have estimated will cost between RM35 billion and RM40 billion.

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

MRT Corp said the selected bidder is also expected to develop tunnels, viaducts, stations, depots, trackwork, rolling stock, signalling,

power supply and other related structures for the project.

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

To participate in the tender, MRT Corp said prospective applicants may form joint ventures (JVs), consortiums, partnerships or similar arrangements — with or without a separate legal entity.

As for a JV, MRT Corp said it must not comprise more than eight members.

To qualify and participate in the tender, MRT Corp said prospective applicants must meet the minimum financial capacity of having a paid-up capital and a shareholders' fund that is not less than RM5 billion.

MRT Corp said the applicants

must also demonstrate a positive earnings ratio over the last three years, calculated based on the 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 project cost.

MRT Corp said financing can be obtained in five different currency denominations: the ringgit, US dollar, yuan, yen or euro.

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

Tender document submission must be accompanied by a tender bond, which should be in the form of a bank guarantee, valued at RM5 million, and will remain valid for the next 180 days from the tender closing date of Dec 29.

"Any tender that is not accompanied by a tender bond will be rejected," MRT Corp added.

Prior to submitting the tender, MRT Corp said prospective applicants are required to attend a tender briefing on Nov 15, and the tender document can be purchased from that day until Nov 29, for RM53,000.

The upcoming MRT3, the final alignment in the overall scheme of the urban rail line, will feature 26 stations, of which 19 stations are underground and seven 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 and expects it to be completed by 2025, earlier than the initial target of 2027.

While MRT Corp has not revealed the alignment of the upcoming rail network, it was reported that

the MRT3 would cover Ampang Jaya, Kuala Lumpur City Centre, Jalan Bukit Bintang, the Tun Razak Exchange, Bandar Malaysia, KL Eco City, Pusat Bandar Damansara, Mont Kiara and Sentul.

MRT3 will also be integrated with the MRT Sungai Buloh-Kajang Line (MRT1) and the Sungai Buloh-Putrajaya-Serdang Line (MRT2).

MRT1 was built at a cost of RM21 billion, RM2 billion lower than initially forecast, while MRT2, which is still under construction, is estimated to cost RM32 billion to complete.

In September, CIMB Investment Bank Bhd estimated that MRT3's construction cost would range between RM35 billion and RM40 billion, on the assumption that it will cost RM1 billion per km for the underground portion, which is benchmarked on MRT2, and RM500 million per km for the above-ground portion.