
For Immediate Release

Media Statement On Excessive Fees For Penang's Land Tunnel

"Penang Govt must stop denying the undeniable over excessive consultant fees paid"

It is astounding to see the DAP Penang Govt's continued insistence that the total RM220mil in consulting fees paid to date for 3 roads is not excessive.

This is despite our detailed explanation relating to the inaccuracies that YB Chow Kon Yeow had made in his earlier attempt to justify the excessive fees.

As an example, JKR paid about RM19mil in total pre-construction consulting fees for a recent paired road highway project in Johor.

These fees comprise all required services and includes the fees for all surveys, soil investigation, preliminary environmental impact assessment and all civil, structural, electrical and mechanical design.

The RM19mil of pre-construction consulting cost represents about 2.67% of RM718,570,500 for roads totaling 30km in length.

Not all of the consulting fees were paid before construction began as 25% were withheld for tendering and construction stages in accordance to Board of Engineers' guidelines.

Compare this to the total RM220mil pre-construction fees that is already fully paid by the Penang Government which represent 11.06% of the RM1.99 billion construction cost for the 3 roads totaling 20km in length and has yet to start construction despite a 3 1/2 years delay.

The Works Ministry continues to maintain that the pre-construction consulting fees paid by the Penang Government are excessive and above long-established guidelines.

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Instead of denying the undeniable and avoiding scrutiny, the Penang Government is also encouraged to answer Datuk Seri Abdul Rahman Dahlan's question yesterday that if the consulting fees are not excessive then how did the 3 year old Penang tunnel SPV company make such super profits just from doing reports.

DATO' SRI HAJI FADILLAH BIN HAJI YUSOF
Minister of Works

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