



**To:** Public Works and Transportation Committee    **Date:** January 5, 2005  
**From:** Robert Gonzalez, P. Eng.  
Director, Engineering    **File:** 10-6340-01/2004-Vol 01  
**Re:** Funding Reallocation for Hydro Undergrounding Projects

**Staff Recommendation**

That the transfer of \$552,000 from the 2002 and 2004 Hydro Undergrounding budgets to the 2003 Hydro Undergrounding budget be approved.

Robert Gonzalez, P. Eng.  
Director, Engineering  
(4150)

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<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>	
Budgets .....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

In December 2004, BC Hydro finalized their cost estimate and designs for the undergrounding project on Westminster Highway between No. 3 Road and Garden City Road. The cost estimate to complete this work was approved by Council in 2003. In addition, the completion date for this work is May 31, 2005 in order to retain the BC Hydro grant of \$333,334. The purpose of this report is to obtain Council's approval to reallocate funding from the 2002 and 2004 undergrounding projects to allow sufficient funding for the 2003 undergrounding project on Westminster Highway between No. 3 Road and Garden City Road.

### Analysis

Hydro Undergrounding projects entail the removal of street poles and overhead electric, telephone and cable wires and placing them in underground conduits. Completion of this work supports the City's "Appealing" vision through the resulting beautification of the street landscape and further allows access to significant grants from BC Hydro. Council has previously approved several other Undergrounding projects within the 10-year City Centre Undergrounding program.

Given the present construction climate and the high degree of complexity associated with the 2003 Hydro Undergrounding project on Westminster Highway between No. 3 Road and Garden City Road, staff estimate construction to cost \$1.73 Million, which exceeds the approved budget of \$1,233,334 (City budget plus grant) by approximately \$497,000. Since Council's approval of the project in the 2003 capital program, BC Hydro has increased their estimated cost to install conduits and cables and remove poles. Similarly, Telus has increased their respective costs

Through discussion with BC Hydro representatives, staff has formulated an action plan to allow completion of the 2003 work and keep the grant as follows:

- There is a projected cost savings of \$350,000 associated with the 2002 Undergrounding program. It is proposed that these savings be transferred to the 2003 Undergrounding program;
- Reduce the scope of the Council approved 2004 Undergrounding program along Lansdowne Road (from No. 3 Road to Garden City Road) from 800 metres to 400 metres. This will result in an anticipated savings of \$202,000 while the limits of work will be adjusted to be between No. 3 Road and Cooney Road.

By following this plan, \$552,000 becomes available to complete the 2003 Undergrounding program.

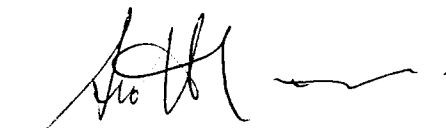
**Financial Impact**

The proposed reallocation of funds as follows affects only funds, which have already been approved by Council under the 2002, 2003, and 2004 capital programs.

Project	Transfer to 2003 Hydro Undergrounding
2002 Hydro Undergrounding	\$350,000
2004 Hydro Undergrounding	\$202,000

**Recommendation**

In order to proceed with 2003 Hydro Undergrounding project and realize the benefit of the \$333,334 BC Hydro grant, staff recommend that Council approve the reallocation of funds.



for Jim V. Young, P. Eng.  
 Manager, Engineering Design and Construction  
 (4610)

JVY:jvy