

2003 CAPITAL PROJECTS OVER \$50,000 EXPLANATIONS

Inf. 3

Project Title: Replace Vehicles
Location: System Wide
Division: Transmission & Rural Operations
Classification: Administrative

Project Description:

This project involves replacing 28 light vehicles (cars, pick-ups and vans) and 17 medium/heavy vehicles (line trucks and boom trucks).

Project Cost: (\$ x1,000)	2003	2004	Beyond	Total
Material Supply	1,520.0	844.0	0.0	2,364.0
Labour	0.0	0.0	0.0	0.0
Engineering	10.0	10.0	0.0	20.0
Project Management	0.0	0.0	0.0	0.0
Inspection & Commissioning	0.0	0.0	0.0	0.0
Corp O/H, AFUDC, Esc. & Contingency	53.7	288.2	0.0	341.9
Total	1,583.7	1,142.2	0.0	2,725.9

Operating Experience:

It has been our experience that vehicles experience increased downtime and decreased reliability as they reach the replacement criteria outlined below.

REPLACEMENT CRITERIA VEHICLES			
Category	Description	REPLACEMENT CRITERIA	
		Age	Other
1000	Cars/Mini-vans	5-7 yrs.	>150,000 kms, maintenance cost, condition
2000	Pick-ups/Service Vans	5-7 yrs.	>150,000 kms, maintenance cost, condition
3000	Light Trucks	6-8 yrs.	>180,000 kms, maintenance cost, condition
4000	Medium/Heavy Trucks	7-9 yrs.	>200,000 kms, maintenance cost, condition

Category 1000 and 2000 vehicles being replaced will have an average age of six years and 150,000 km, while category 3000 will have an average age of eleven years and 100,000 km and category 4000 will have an average age of 10 years and 200,000 km.

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Project Title: Replace Vehicles - Hydro System - 2003 (cont'd.)

Project Justification:

New vehicles are required in order to ensure maximum reliability with minimum equipment downtime. Having work crews equipped with reliable and technologically current work vehicles, ensures their safety while at the same time enhancing efficient delivery of services. Operating vehicles beyond their economical life cycle will result in delays to work crews and have a negative impact on customer service.

Vehicles are screened against a replacement criteria before being evaluated for replacement. When a unit has met the age or kilometer criteria, the unit is further evaluated for its condition and maintenance history.

The budget for each class of vehicle is shown below.

Vehicle Class	Budget Amount
1000 (Cars/Mini-vans)	\$ 250,600
2000 (Pick-up/ Service Vans)	497,700
3000 (light Trucks)	78,400
4000 (Medium/Heavy Trucks)	1,557,300
Contingency	341,900
Total	\$ 2,725,900

New vehicles are acquired through competitive tendering with a lease/purchase analysis used to determine the least cost alternative.

Future Plans:

Categories 1000, 2000, and 3000 vehicles will be purchased in 2003, however due to long delivery schedules of category 4000 vehicles, these vehicles will not be delivered until 2004.