

Subject: Re: Fwd: RAV bid numbers - Mark Miller

Date: Thu, 25 Nov 2004 18:13:36 +0000 (GMT)

From: Elizabeth James <cagebc@yahoo.com>

To: "Carolanne Reynolds, Editor WVM" <EditorWVM@WestVan.org>, Ron Wood <rwood@wood-west.com>

CC: dstuart@district.west-van.bc.ca, cagebc@yahoo.com, office@faximum.com, rrichards6332@shaw.ca, epe@epel.com, braemarinvestments@telus.net, Brian Platts <bplatts@shaw.ca>, Corrie Kost <kost@triumf.ca>, Cathy Adams <cathyadams@canada.com>, Eric Andersen <eric_g_andersen@hotmail.com>, Doug Mackay-Dunn <macdunn@uniserve.com>, Bill Tracey <wrtracey@telus.net>, FONVCA <fonvca@fonvca.org>

25 November 2004

Good Morning:

There are other important points which could be added to those of Mark Miller.

- To say that the RAV project is to cost \$1.7 billion, \$1.98 billion [as quoted on 600AM by Mayor Corrigan] or, even, the \$1.35 billion TransLink originally claimed, not only is not the truth, it is deceitful in the extreme. Why? Consider this analogy.....

A West Van tenant decided there was a better use for his money than to keep paying rent, so he journeyed forth and found himself a modest apartment to purchase - well, modest by West Van standards. Back home packing for the move, his friends were all slapping him on the back in congratulation. "How much did you have to pay," they ask, "aren't prices pretty high right now?" To which the embarrassed tenant replied, "It wasn't bad really, I only had to pay \$100,000."

Hammered by his friends, who wanted *such a deal* themselves, the tenant finally had to admit that he had seriously misled them, "Well, no, actually I had to get mortgages totalling \$500,000. But, heh! I got a really good interest on some of them - only 5.74%." Pressed again, he finally fessed up, "Well, I wasn't really told the interest rate on the rest. But, heh! If I get into trouble with costs 10, 20, 30 years down the line, I can always go back to Mum and Dad, the kids and grand-kids to make up the shortfall."

With that, the tenant's friends gave him the high-five and drifted away. "This is a friend I can't afford," they mumbled.... Smart friends....they realized in time that they had absolutely no control over the tenant's spending excesses and, bearing in mind his history of such uncontrolled excesses, decided to get out while the going was good.....

Hence urban creep....Abbotsford, Chilliwack, here we come.

- Press reports tell us that RAV is not now planned to reach the Cruise Line terminals, which had been the original intent. Indeed, TransLink touted that plan as a prop to its ridiculous ridership numbers. So why is it the connection so easily expendable now? Could it be that TransLink discovered what most others already knew - viz. that cruise ship passengers are usually met by tour buses which take them where they want to go and then straight back to the ship.

The last, and most important point to stress - at least for this missive.....

- Companies are in business to make money and one should have no problem with that. However, when company management reads the books to discover that costs are outstripping revenues, it has only two remedies: go out of business or raise prices.

In the case of the Expo, Millennium and RAV lines those losses are and will be paid for by taxpayers and transit riders who, often, are one and the same.

GVRD Councils have a legislated obligation under the Community Charter to protect their citizens from this latest high-risk investment. They must go back to the drawing board and come up with the badly-needed transit solutions by using a more efficient, more attractive and less costly alternative.....an alternative that is being successfully, safely and efficiently used the world over.

If Councils will only listen and urge TransLink to vote for the technically superior, lower-cost solution, rather than the politically-expedient RAV project, they would be doing everyone a favour - including themselves.

Sincerely,

Liz James
[604] 988-2066

"Carolanne Reynolds, Editor WVM" <EditorWVM@WestVan.org> wrote:

fyi

X-Sieve: CMU Sieve 2.2
From: Vimarcconsulting@aol.com
Date: Mon, 22 Nov 2004 18:46:51 EST
Subject: RAV bid numbers - Mark Miller
To: carolanne@westvan.org

November 19, 2004

re: Winning RAV bid numbers as per Doug McCallum

On the Jennifer Mather (CKNW) show, the Translink chairman stated very specific numbers pertaining to SNC-Serco's winning RAV bid. First it was stated that the bid was 1.763 billion, but later it was revealed that this involved scope reduction that has been tentatively approved by Ravco. These reductions involve moving the bridge alignment from Lulu Island to Vancouver westward due to poor geotech conditions (I believe that I brought that potential up before), this will likely entail much higher land acquisition costs in south Vancouver and north Richmond which may not be included. Other reductions include amalgamating stations in Richmond, and lesser facilities at the northernmost station. Mention was also made of possible land concessions to the private partners. Ravco estimates these scope changes will reduce costs by 136 million. These scope reductions were not part of the RFP, and so would not be valid when considering the original funding range and whether the proponent meets requirements. Add the two numbers together and you get an estimated 1.9 billion for original requirements; this is well beyond the 1.556 billion committed from all sources. This does not take into account the likely cost overruns due to tunneling and escalation of rebar and concrete for this structure-heavy concept. It may state that the private partner will carry the overruns, but will this happen in fact? If the absolute guarantors are really the named companies with large assets or a newly created transit/construction company whose shareholders cannot be held directly responsible?

Doug McCallum may be happy with the situation, but everyone else should be wary.

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Yours thoughtfully,
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