

Jan. 5, 2009

Mr. Alan Laver  
Town Of Markham  
101 Town Centre Boulevard  
Markham, Ontario  
L3R 9W3

Subject: **2009 Streetlight Maintenance & Re-lamping**

Dear Alan

At your request, we are providing the proposed costing for streetlight maintenance and re-lamping program for the Town of Markham. It should be quoted for the amounts indicated **plus GST**.

It should be noted that the existing contract between PowerStream and the existing service provider is effective to the end of June 2009. There is an extension clause included in the existing document.

The estimated cost for 2009 general streetlight maintenance (excluding re-lamping and hit & runs) is **\$400,000.00**. This value includes the approximate number of lights repaired annually using a **unit price per fixture** and others that are repaired at a time & material cost and ESA annual fees. This estimate does not include any allowance for night patrols performed by the contractor or others. For 2009 all maintenance requests will be generated through the Town of Markham (ToM) call center in order to monitor call volumes.

The estimated cost to re-lamp 4,000 units is **\$145,000.00** plus GST.

Costs associated with accident (hit & run) and vandalism is estimated to be **\$95,000.00** based the increase noted during 2008.

The repair costs for underground streetlight fault had been averaged over the past several years and for 2008 it was estimated at **\$210,000.00**. As stated in previous estimates the value will vary with the actual number of faults that may occur. During 2008 there was almost a 200% increase in the number of faults. Since the number of faults is uncontrollable, the estimate for 2009 will be **\$490,000.00** based on the experience noted in 2008.

If you find this information to be acceptable please forward 2 separate Purchase Orders to cover the following expenses.

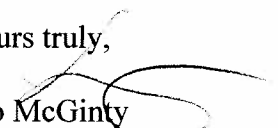
1)	General Street light maintenance	- \$400,000.00
	+ hit and runs	- \$ 95,000.00
	+ U/G faults	- <u>\$490,000.00</u>
	<b>Total</b>	<b>\$985,000.00</b>
	<b>Plus GST</b>	
2)	Re-lamping program	<b>Total - \$145,000.00</b>
		<b>Plus GST</b>

Please note that the costs provided in this letter are estimates only and actual costs will depend on the actual events that occur in 2009 and other pending considerations.

This estimate does not include additional costs associated with planned replacement of equipment.

Should you have any question regarding this information please contact me at 905-532-4461.

Yours truly,

  
Leo McGinty  
Manager, Lines Maintenance  
PowerStream