

MEMORANDUM

TO: Alex Chen, Asset Manager

FROM: Maria Flores, City Manager

DATE: October 26, 2023

SUBJECT: Urgent: Recommendation on Centennial Bridge

Alex,

Welcome aboard. I'm afraid we're throwing you right into the deep end. The Centennial Bridge situation is reaching a critical point, and I need your objective analysis to guide the council's decision.

As you know, we have two paths: a comprehensive repair or a full replacement. The engineering reports are attached, but I need you to run the numbers. The council is deeply divided, and public opinion is all over the map. Some see the bridge as a historic treasure; others see it as a crumbling liability.

My primary concern is the long-term financial viability of this city. We are operating with a tight budget, and I've attached a summary of our current financial position. I need to know not just which option is cheaper, but which option delivers the best value over its lifespan. Can we even afford a full replacement? What are the financial risks of just repairing it?

Please prepare a brief report for me that outlines the financial case for your final recommendation. Use standard capital budgeting techniques—I want to see the Net Present Value (NPV) and Internal Rate of Return (IRR) for both options. Your analysis will be the cornerstone of my presentation to the council next month. I'm counting on you.

Regards,

Maria