

**ROUTE 13 RFP  
--- QUESTIONS & ANSWERS ---  
JANUARY 8, 2003**

**1. Why does the current vessel need replacing?**

Typically, a vessel of this type would have a service life of 15 years.

At 23 years, the vessel has already exceeded its life expectancy.

The port engine experienced a major failure last year and an assessment of the starboard engine indicates that it is also nearing the end of its useful life.

The Dogwood Princess is a 42-foot vessel carrying 38 passengers and 2 crew. It was built in Victoria in 1979 to service the islands.

**2. What happens if there is no successful bidder? What are the options?**

BC Ferries will replace the Dogwood Princess II and continue to run the service. Until a replacement is acquired, the service will be maintained. If the Dogwood Princess II cannot continue the service, another vessel will be leased.

**3. How reliable will a private-sector operator be?**

The private sector operator will have to meet service standards set in the contract and will be subject to an annual review. This is standard on all our contracted routes. The operator will also be required to meet with the Gambier-Keats Ferry Advisory Committee to discuss any service concerns.

**4. How can the users be sure a private operator will continue the service in the future?**

If the private operation is not able to continue for some reason, the contract will be terminated and a new operator found. In the event of a service interruption, BC Ferries would arrange for a replacement service provider.

**5. What is the advantage of a contracted service vs. a BC Ferries operated service?**

A successful proponent must be able to provide the service at a lower cost than BC Ferries.

**6. How many contracted services does BC Ferries have and how much does it contribute financially to those services ?**

BC Ferries currently has 11 contracted routes with an approximate annual cost of \$1.8 million.

**7. How many employees are affected and what will happen to them ?**

Four employees are potentially affected. They are protected by the provisions of their collective agreement and will be governed by those provisions.

**8. Wasn't an RFP issued in 1997? What was the result of that process?**

BC Ferries received an unsolicited proposal from a private operator to assume service on the Langdale/Gambier/Keats route. In order to assess the viability of the proposal, BC Ferries requested expressions of interest to determine if there were any other interested parties. Fifteen responses were received.

After evaluating the responses, the Corporation decided that it was more cost effective to continue running the service than to contract it out.

Background: The previous options offered the possibility of leasing the Dogwood Princess II to provide the service. Also, it required that the respondents show that the operation would be self-sustaining without a subsidy within 15 years. The current RFP requires that the respondents provide the vessel, and the term of the contract is 5 years with an option for an additional 5 years with no mention of a self-sustaining operation.

**9. Why are you doing this again if you rejected it a few years ago?**

The capital cost of a new vessel was not a factor the last time.

**10. What would a new vessel for the route cost?**

If the decision is to replace the Dogwood Princess II and continue running Route 13 under BC Ferry Services, an RFP will be issued for the construction of a new vessel. The results of the RFP will determine the cost of the vessel, and we don't want to prejudice that process by releasing our estimated costs at this time.

**11. What is the current operating loss for Route 13?**

The operating loss for Route 13 for the fiscal year 2001/2002 was approximately \$400,000.

**12. How are the money-losing routes going to survive without cross subsidization from the major routes?**

Routes and service levels will be established under a contract between the province and the new BC Ferry Services. Under this contract, the province will pay BC Ferry Services an annual service fee to enable existing service levels for minor, northern and Sunshine Coast routes to continue.

**13. Will the social policy obligations be continued if a private operator is in place? Seniors, medical, and student travel?**

The government, through the Coastal Ferry Services contract, will determine which social programs will be maintained fleetwide.

**14. Is this the start of BC Ferries abandoning service to Gambier and Keats Islands?**

No. As with all other routes fleetwide, a process will be put in place requiring a review by the regulator before any route can be abandoned.

**15. What consultation with Islanders has taken place on the RFP?**

The future of the service, replacement vessel needs and the possibility of contracting out the route have been discussed with the Gambier/Keats Ferry Advisory Committee. Committee members were also provided with a public discussion paper at a meeting on October 18, 2002. And finally, proponents must attend a pre-bid meeting on January 13, 2003 to meet with the members of the ferry advisory committee and obtain a better understanding of the community's needs.

**16. Will the Gambier/Keats Ferry Advisory Committee members be involved in the selection process?**

No. The Ferry Advisory Committee members have provided their input about a replacement vessel, and will meet with the proponents to discuss the service. Ultimately the proponent selection will be a business decision made by BC Ferries.

**17. Why is the RFP calling for a smaller vessel?**

The Dogwood Princess II can accommodate 38 passengers. The RFP calls for a vessel with a minimum passenger capacity of 25 persons. Traffic statistics indicate that the vessel often carries under 10 passengers per trip, and BC Ferries and FAC committee members have discussed the economics of a smaller vessel with a faster service speed so extra trips can easily be made.