



**BC Ferry Commission**  
Request for Proposal 20061030

**Financial Analysis for BC Ferries Price Cap Review  
for the Second Performance Term**  
(Text for BC Bid Website [www.bcbid.ca](http://www.bcbid.ca))  
by the BC Ferry Commission)

The BC Ferry Commission ([www.bcferrycommission.com](http://www.bcferrycommission.com)) seeks a qualified consultant to provide analysis of financial information provided by BC Ferries on September 30, 2006.

***Background***

The Commission is a provincial regulatory body with statutory responsibilities for making key regulatory decisions affecting ferry operators in the province, including British Columbia Ferry Services Inc. (BC Ferries).

Under the Coastal Ferry Act (Section 40) BC Ferries is required to provide the Commissioner by September 30, 2006, with extensive operating and financial information relating to the ferry routes for which BC Ferries provides services under its Coastal Ferry Services Contract with the provincial government. This information, relating to the first Performance Term ending on March 31, 2008 and forecasts for the second Performance Term, will be used by the Commissioner in determining the price cap limits (limits on weighted average fares) that will be applicable for the Performance Term 2 commencing April 2008.

The Commissioner is required, under Section 41 of the Act, among other matters, to make decisions on allowable levels of expenditure for each route group before deciding on the price caps applicable to each route group. For this purpose the Commissioner is required to review the information provided by BC Ferries and to issue a report to BC Ferries and the provincial government by no later than March 31, 2007.

Appended to this Request for Proposal is the Table of Contents of BC Ferries 172-page submission dated September 30, 2006.

## ***Assignment***

Your task as a consultant is to analyze the operating and financial information, referred to above, supplied by BC Ferries and to provide a report to the Commissioner addressing the following questions:

- On a route and route group basis, is the information provided by BC Ferries accurate, reasonable and supportive of the forecast for the second Performance Term
- Have BC Ferries satisfactorily explained unusual trends in both actual and forecast operating and financial reports and projections
- What adjustments do you recommend should be made to the material provided by BC Ferries

Consultants will be expected to conduct such analysis as they deem necessary. The Commission would like to see the following detailed tasks included in the analysis:

- Trend and ratio analysis for both revenue and expenditure.
- Selective detailed analysis of specific capital expenditure projects, including need for project, timing and cost estimate.
- Comparison of actual capital expenditure in Performance Term 1 with the forecast of capital expenditure for that period.

The company's submission contains a large amount of information and further details can be obtained as required.

Interested consultants should refer to the Coastal Ferry Act, especially to sections 40 and 41.

In the course of this analysis you will be expected to meet with staff of BC Ferries and with the Commissioner to resolve issues that arise in the course of your work.

## ***Proposal Outline***

Consultants interested in undertaking this assignment should provide to the Commission a brief proposal featuring:

- The consultant's corporate credentials and experience in similar past assignments;
- the specific individuals who will work on the assignment, their backgrounds and professional credentials, the time budgeted for the assignment and their hourly/daily rates presented in a time/cost budget;
- a work plan showing how the consultant will approach the assignment, with a basic list of tasks; and
- a declaration of any potential conflicts of interest on the part of the consultant.

## ***Deliverables***

- Two printed copies of the report will be provided to the Commission.
- One compact disk with a version of the report text in both Microsoft Word and Adobe Acrobat (PDF) format (suitable for web publication) will be delivered to the Commission.
- Discussions with the Commissioner as required during the assignment and one full-day discussion to present the report.

## ***Timing and Fee***

The assignment is expected to commence in mid-November 2006 and be completed by January 15, 2007.

The consultant should quote a fee based on a maximum of 30 days work by analysts and 20 days work by more senior staff. Expenses for two visits to BC Ferries headquarters in Victoria should be included. This is not a fixed price contract, but a fee in the range of \$50,000 is anticipated for this assignment.

## ***Proposal Evaluation Criteria and Weighting***

The Commission will evaluate proposals according to the following:

50% Credentials and relevant experience both corporate and individual professionals.

35% Demonstrated understanding of the assignment, insights and key questions to be addressed in the assignment, as detailed in the work plan.

15% Fee

Interested consultants should submit their proposals by e-mail to the Commissioner by November 15, 2006 at [martin.crilly@bcferrycommission.com](mailto:martin.crilly@bcferrycommission.com). All proposals will be acknowledged on receipt.



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# **Appendix to BC Ferry Commission RFP 20061030**

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## Forward Looking Statements of this Submission

This submission contains historical information and also contains certain forward-looking statements which relate to future events or future performance. These forward-looking statements are based upon management's current expectation and assumptions as to a number of factors, including, the risks, uncertainties and other factors as described in BC Ferries' Management's Discussion and Analysis for the fiscal year ended March 31, 2006 and certain of the other BC Ferries' documents available at [www.sedar.com](http://www.sedar.com). These forward-looking statements are made as of the date of this submission and are based upon information currently available to management, and BC Ferries assumes no obligation to update or revise them to reflect new events or circumstances. If management's expectations and assumptions prove to be incorrect, or factors change, then actual results could differ materially from the forward-looking information contained in this submission.