



**Partnerships British Columbia, on Behalf of the Ministry of  
Advanced Education and the Open Learning Agency**

**Request for Expressions of Interest  
Knowledge Network**

**ISSUE DATE**

September 22, 2003

**ISSUING OFFICE**

Office of the Senior Vice President, Steve Hollett  
Partnerships BC  
1250-999 West Hastings Street  
Vancouver BC Canada V6C 2W2

**CLOSING DATE AND TIME**

Six complete hard copies of each EOI including an electronic copy on a CD or 3.5 inch disk, must be received at the issuing office by 4:00 P.M. Pacific time on November 24, 2003

**DIRECT ALL INQUIRES TO**

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Closing Date for Enquiries: 2PM Pacific Time November 14, 2003

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## **Introduction and Overview**

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### **1.0 Introduction of the Opportunity**

Partnerships British Columbia Inc. (“Partnerships BC”), on behalf of British Columbia’s Ministry of Advanced Education (“AVED”) and the Open Learning Agency (“OLA”) invite Expressions of Interest from the private and public sectors to provide innovative ideas and solutions to renew Knowledge Network (“KN”) and identify whether an opportunity exists to establish a new model to help facilitate the continued operation of KN as BC’s provincial authority for educational television broadcasting (the Provincial Government, Partnerships BC, AVED and OLA are collectively referred to as the “Province”).

If the right model can be achieved, the Province will be able to transition its role as the educational television broadcaster to the private/public sector while working to reduce expenditures and benefiting from the synergies and expertise of a private/public sector broadcasting Operator.

The opportunity being offered is for a private or public sector entity to assume the full responsibility for operating British Columbia’s educational television broadcaster. It is the intent of the Province to minimize its investment and involvement in the operation of educational broadcasting and therefore, the opportunity being proposed is for an Operator to assume the financial and operating responsibilities of KN. While the Province may consider some investment in the operation of KN service during a transition period, it is the intention of the Provincial Government to redirect its investment in KN to other education funding requirements.

If a new Operator can be identified through this process it is anticipated that this Operator would be designated as British Columbia’s provincial authority for educational television broadcasting for a renewable period of up to seven years, subject to satisfactory achievement of any negotiated performance conditions.

Designation as the provincial authority for educational television broadcasting will require a new Operator to seek approval of the designation and the issuance of a new license from the Canadian Radio-Television and Telecommunications Commission (“CRTC”). Proponents should familiarize themselves with the CRTC license application process and procedures.

The Province will not provide financing for this procurement process or any CRTC application.

### **2.0 Overview**

KN is British Columbia’s public educational television service whose current mandate is to create television-led learning opportunities. KN can be seen in almost every household in B.C. that has a television, and according to the spring 2002 Bureau of Broadcast Measurement (“BBM”) results, reached approximately 1.4 million viewers per week.

KN's principal activities are broadcasting, production, post-production and administrative services that support public educational television, including public education projects for the Provincial Government ministries.

KN's primary asset is its CRTC license. Issued by the CRTC, this license specifies KN as the Province's provincial authority for educational television broadcasting. KN is currently engaged in the process of obtaining the renewal of its CRTC license, which expires in February 2004. The CRTC educational broadcasting license cannot be sold or leased to a third party but can be designated, which would make a third party the de facto license holder (any new designation of the license by the Province would require prior approval by the CRTC).

The Provincial Government, through OLA, provides base operating grants and capital funding to KN for staffing, operations and facilities. KN's other major revenue sources are from individual donors, called "Partners in Knowledge" and organizational/corporate partners whose financial support provides funding for locally produced programs. In fiscal year 2003/2004, KN had an operating budget of \$7.4 million, which was derived from three principal sources: a provincial contribution of \$5.1 million in the form of an operating grant; donations of \$1.7 million received through pledges from KN's "Partners in Knowledge" program, and \$0.6 million earned through sponsorships and self funded projects.

### **3.0 Procurement Process**

Partnerships BC will manage and coordinate the procurement process to identify a potential new Operator for KN including issuing the Request for Expressions of Interest ("REOI"), evaluating and assessing Proposals and recommending a preferred option to government for consideration. Proponents will have eight weeks from the date of issuance of the REOI to submit their expression of interest ("EOI").

The Provincial Government is seeking a Proponent, who, through creativity and innovation, can clearly demonstrate its ability to operate as the designated provincial authority for educational television broadcasting on a **self-sustaining basis**.

It is the intention of the Provincial Government to identify and transition to this new model in as efficient and effective a manner as possible. Based on the strength of the submissions in response to this REOI, Partnerships BC has been instructed to manage the process in three possible ways depending on the quality of the EOIs received:

1. A preferred Proponent will be selected and the Province will enter into direct negotiation with the Proponent;
2. If two or more Proponents provide EOIs which are, in the sole discretion of the Province, of similar viability and meet or exceed the evaluation criteria set out in Section 40, a short list will be established and the Province will

issue a formal Request for Proposal (“RFP”) to those Proponents selected for the short list; or

3. If no Proponent meets the evaluation criteria, the Evaluation Committee will report such findings to the Province.

The Province reserves the right to select the Proposal that, in the Province’s sole discretion, stands the best chance of obtaining CRTC approval and offers the optimal combination of business terms and on-going contribution to the television and broadcasting sectors in British Columbia.

The Province reserves the right to amend the process if warranted by the response to this REOI.

Should, at the end of this procurement process, no viable models emerge for KN, the Province reserves the right to terminate this process and reassess its options for KN.

#### **4.0 Responsibility**

The OLA has been given the direction by the Province to explore options for a new model for KN. The process is being undertaken in combination with Partnerships BC, and AVED.

#### **5.0 Registration Information**

For a Proponent’s EOI to be eligible for consideration in this REOI process and to obtain access to any additional information and updated materials which may be made available, parties are required to register their interest in this REOI. To register, parties must fill out the registration form attached as Appendix A and deliver it, along with a certified cheque or money order (payable to Partnerships BC Inc.) in the amount of \$125.00 Cdn., to:

Partnerships BC  
1250-999 West Hastings Street  
Vancouver BC V6C 2W2 Phone: (604)660-1242  
Attn: Karla Kennedy

Once registered, parties will receive confirmation of registration along with information on how to access the electronic Document Room.

## 6.0 Summary of Key Dates

The following timetable outlines the anticipated schedule for the REOI process. The timing and the sequence of events resulting from this procurement process may vary and shall ultimately be determined by the OLA and Partnerships BC, except for the Submission Deadline which is fixed.

| <b>Event</b>  | <b>Proposed Date</b>  |
|---|---|
| REOI issued<br>➤ Registration open (\$125 cost to register)                                 | September 22, 2003  |
| Deadline for Enquires   | November 14, 2003   |
| Submission Deadline   | November 24, 2003   |
| Review and Evaluation of Submissions  | December 2003 – January 2004  |
| Recommended option to OLA Board and Treasury Board  | January 2004 – February 2004  |
| <b>Decision Point – 3 Potential Options</b>   |   |
| <b>Option 1</b> – Enter into negotiations with preferred Proponent resulting from the REOI. | ➤ 8 wks to negotiate binding agreement subject to CRTC approval (approximately 4 to 6 months).  |
| <b>Option 2</b> – Issue a RFP to short listed Proponents.                                   | <ul style="list-style-type: none"> <li>➤ 3 wks to develop/issue RFP;</li> <li>➤ 4 wks response period for Proponents;</li> <li>➤ 2 wks to evaluate and select winner;</li> <li>➤ 4 wks for final negotiations;</li> <li>➤ 2 wks for OLA Board and TB approval; and</li> <li>➤ Financial close and CRTC approval (approximately 4 to 6 months).</li> </ul> |
| <b>Option 3</b> – No Proponent selected   | ➤ Evaluation Committee reports such findings to the Province.   |
| <b>Event</b>  | <b>Proposed Date</b>  |
| Notification of preferred Proponent.  | March 2004  |
| Negotiation of Memorandum of Understanding with preferred Proponent.                        | March 2004  |
| Negotiation of Designation Agreement with preferred Proponent.                              | April 2004  |
| Submission of CRTC application by the preferred Proponent.                                  | May 2004  |
| Projected outcome of CRTC application process   | November 2004   |

## **Operational Overview**

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### **7.0 Context**

KN, through OLA, is designated as the Provincial Government's authority for educational television broadcasting. It began operations in 1981 as a stand-alone entity, but is now a component of the OLA and broadcasts from the OLA facility located in Burnaby, British Columbia.

While KN began as a vehicle for the delivery of curriculum-based distance education, the network meets its educational obligations today by broadcasting programming that focuses on life-long learning opportunities for the citizens of British Columbia. OLA has held the CRTC license for KN since 1992.

The Provincial Government has made the decision to phase out the OLA, as currently structured, by September 2004 and to move toward a collaborative model of on-line and distance education through BCcampus. KN is not an integral part of BCcampus and the Provincial Government is seeking a partner that can take over the role of authority for educational television broadcasting for the Province.

### **8.0 Legal Structure and Governance**

KN is a statutory component of the OLA, which was established through the *Open Learning Agency Act*. The purposes of the OLA, under the *Act*, include operating: "one or more broadcasting undertakings devoted primarily to the field of educational broadcasting". OLA is managed by a board of directors appointed by the government. The current board is chaired by the Deputy Minister of Advanced Education.

### **9.0 Programming Content**

KN currently broadcasts 17 hours of programming per day in nine thematic areas: Academic; Arts & Music; Children & Youth; Drama; History & Culture; Lifestyles, Health & Parenting; Nature & Environment; Science & Technology; and Social and Political Issues. Seven hours per day are devoted to violence-free children's programming, which supports learning in literacy, numeracy and social development.

The broadcast day also includes 8 to 12 minutes per hour of interstitial time filled by station IDs, promotions, introductions, wrap-ups and public service announcements. All programming is commercial free and interruption free.

Just over 20% of programming consists of KN productions, co-productions, and productions pre-licensed from the independent production community.

*Document Room - A copy of KN's "What's On" guide will be available to registered Proponents in the Document Room.*

## **10.0 Web Services**

KN provides additional and complementary program information on its corporate website <http://www.knowledgenetwork.ca>, which has been operational since 1998. The website has undergone several fundamental changes in the past two years. These changes have focused specifically on design, the incorporation of rich media educational content (text, graphics and video) and the integration of a backend database to address content management. The technology and technical services required to maintain the backend integrity and efficacy of the website, including all hardware and software applications, falls within the responsibility of OLA.

Presently, KN's bandwidth is supplied directly by the OLA, which in turn is provided by the Provincial Learning Network (PLNet) as per the agency's public educational status. PLNet connects more than 2,000 educational sites in BC.

Proponents must not assume that the services provided by OLA or PLNet will be available to them.

*Document Room - More detail on the technical features of the web site will be available to registered Proponents in the Document Room.*

## **11.0 Human Resources**

KN is comprised of five departments with 50 full-time positions. Table One shows the organizational distribution of staff positions. The staff at KN are not unionized.

KN also relies on specialist freelance professionals that are used on an 'as and when required' basis. KN currently has 26 freelance persons under contract.

*Document Room - A complete list of positions, salaries and years of service of the incumbent will be available to registered Proponents in the Document Room.*

**TABLE ONE**

| <b>Department</b>                            | <b>Position<br/>*FTEs</b> |
|--|---------------------------|
| <b>General Manager's Office</b>              | 3                         |
| <b>Business Operations</b>                   | 3                         |
| <b>Marketing &amp; Communications</b>        |                           |
| Director                                     | 1                         |
| Communications & Research                    | 2                         |
| Resource Development                         | 6                         |
| Broadcast Design & Promotions                | 2                         |
| <b>Programming: Television and New Media</b> |                           |
| Director                                     | 2                         |
| Television                                   | 7                         |
| New Media                                    | 4                         |
| <b>Television Production and Operations</b>  |                           |
| Director                                     | 1                         |
| Production                                   | 8                         |
| Operations                                   | 11                        |
| <b>Total</b>                                 | <b>50</b>                 |

\*Full Time Equivalent

## 12.0 OLA Support Services

OLA provides various support services to KN, including finance, human resources, information systems, purchasing and warehousing. In addition, OLA provides space in the building that it owns. The cost of these services is estimated to be around \$0.9 million per year. These costs are **not** included in the KN component of the OLA budget and are not included in the figures presented in Section 21.0.

## 13.0 Space Occupied

KN operates from OLA's building which is located on nine acres in Discovery Park in Burnaby, British Columbia. The facility was custom-built in 1992.

KN occupies 30,000 sq. ft. (approximately one quarter) of the OLA building, including broadcast centre, production space and office space. Table Two lists the type of space occupied.

KN has two traditional studios and a smaller, industrial-level robotic studio:

- Studio One is 40' x 60' with a 270° hard wall cyclorama. There are 360° grid tracks with chroma key cloth and 180° limbo. The grid is at 18'.
- Studio Two is 30' x 40'. With a 360° track with chroma key, limbo and cyc elements permanently available. The grid is at 16'.
- Studio Three is 19' x 22' and intended for simpler, smaller scale productions. One technician can operate the studio, but live shows require more staff.

Studios One and Two share common control rooms.

The building has been seismically upgraded for the most part and an emergency generator is in place. The majority of the office area is open-plan and is easily re-configured. The building has 224 exterior parking stalls.

Proponents must indicate whether they would prefer to lease the space currently occupied for KN. However, because the future use of the OLA building is under review by the Provincial Government, Proponents must not assume that the space occupied by KN will continue to be available after December 31, 2004. Proponents must not expect to lease space in the OLA building other than that occupied by KN. Also, the building is not for sale as part of this REOI.

**TABLE TWO**

| <b>Type of Space</b>                           | <b>Sq. Ft</b> |
|--|---------------|
| Office Space                                   | 3,560         |
| Studios, props and storage                     | 7,700         |
| Video Studio                                   | 144           |
| Audio, production control, edit and green room | 6,230         |
| Technical Maintenance                          | 1,550         |
| Master Control, VTR, tape library              | 5,270         |
| <b>Sub-Total</b>                               | <b>24,454</b> |
| Share of Common Area                           | 4,891         |
| <b>Gross Area</b>                              | <b>29,345</b> |

#### **14.0 Satellite and Distribution Channels**

The Master Control has three outbound fibre optic feeds. The first is to Shaw Cable's Vancouver Headend to serve local viewers; the second is to the Vancouver Teleport for the Cancon/Star Choice feed to regional cable companies, low power community transmitters and Star Choice DTH customers, and the third feed is to ExpressVu for their DTH customers.

The Cancon/Star Choice arrangement costs \$350,000/year plus \$19,500 for the fibre link to the Teleport. This agreement is in place until August 31, 2005. The Shaw and Express Vu connections are provided at no charge. (At the same time, KN does not receive revenue from direct to home distributors for the carriage of KN.)

#### **15.0 Program Library**

KN has an active inventory of 399 series containing 6,847 episodes, and an additional 599 single programs for a total of 7,446 titles. The maximum airtime these represent, if all plays were taken, would be 45,211 hours, of which 5,120 hours is KN produced or co-produced programming. Most licensing arrangements include limitations on the transfer of the licence.

Proponents must make their own judgement about the transferability of licensed programs.

*Document Room – More information on the program inventory and typical licensing agreement language will be made available to registered Proponents in the Document Room.*

## **16.0 Intellectual Property**

OLA owns various forms of intellectual property on behalf of KN including trademarks, web domain names, stock shot material, program intros/extros and programs (e.g. BC Moments).

Proponents must assume that the Provincial Government will retain copyright over key elements of intellectual property including the 'Knowledge Network' name and web domain name. However, the Province may make these properties and all other KN intellectual properties available on terms to be negotiated.

## **17.0 Audience**

During a typical week, approximately 1.4 million British Columbians tune in to KN. These viewers are spread throughout the viewing day and viewing week.

In prime time, KN has an average audience of 28,000, a market share of approximately 2%. For its most popular programs, KN's audience is between 50,000 and 100,000 viewers. KN's audience tends to be older - two thirds of its viewers are more than 65 years of age.

For its morning programming aimed at children from two to six, KN has average audiences of between 3,000 and 4,000 viewers depending on the day of the week - a market share of approximately 8-11%. For its late afternoon children's programming average audiences are between 1,500 and 2,000 for children aged two to six, a market share of approximately 4.5-6%. For older children the market share is lower.

(Note: Audience estimates are based on information obtained from the Bureau of Broadcast Measurement.)

## **18.0 Partners in Knowledge**

The Partners in Knowledge (PiK) program is a donor-based membership program that enables viewers of KN to make tax deductible financial contributions that are used towards the acquisition and production of television programs. It was introduced in March 1988. Donations are made to the OLA, which is a registered charity.

Donors are recruited and sustained using three on-air campaigns, regular direct mail solicitations and nightly telemarketing activity. For a minimum donation of \$35, donors receive a yearly subscription to the "What's On" program guide (currently 5 issues) and a tax receipt. A variety of premiums and gifts are also

offered at different donation levels and might include videotapes, books, CD's and KN affinity products.

The average donation is around \$60. Donors to KN are very loyal - 42% of current donor's gave their first contribution over 10 years ago. The vast majority of donors are older retired persons - 93% are aged 50 years or older; 74% are retired.

KN also receives financial contributions through bequests from individuals. This has been a relatively small source of revenue to date.

In recent years, KN has raised around \$1.5 million in new revenue annually through PiK. The goal for 2003/04 is \$1.7 million. Some of the revenue raised is used to cover fund-raising costs. Net new funds available from PiK are targeted at \$900,000 in 2003/04.

Funds raised through PiK (after fund-raising costs) are used to acquire programming, to pre-licence Canadian productions by independent producers and to produce BC Moments. Pre-licensing assists independent producers in seeking funding from the Canadian Television Fund and other sources of finance.

Proponents must indicate whether they will retain the PiK model as a fund-raising method and how they will structure this program.

## **19.0 Productions**

This year, KN will produce or co-produce more than 35 hours of programming for television as well as several online content projects, some of which are funded through partnerships with government ministries, corporations, educational institutions and others agencies with mandates to provide public, community or academic education. KN currently has almost 40 projects in progress of which 8 are still at the development or fundraising stage. Most of the outstanding obligations on these projects will be met by March 31, 2004. Some may extend into the next fiscal year.

The different types of production include:

- **Internal Productions:** Productions over which OLA has complete editorial and creative control and financing responsibility. These may be produced using staff producer/directors and personnel or may be commissioned out, using a combination of contract producer/directors and in-house personnel. OLA receives copyright notice in the credit roll. Management of copyright exploitation resides with OLA.
- **Co-Productions:** Productions done in partnership with other parties. OLA has significant involvement in one or more of the following areas: development of the concept/treatment, the contribution of facilities and services, responsibility for raising a portion of the financing, execution and management of production. OLA may hold or share editorial, creative and financial controls as well as distribution or marketing rights. OLA and partners receive credit in the credit roll. Management of copyright exploitation

can reside with OLA, the other partner(s) or both. Productions sponsored by outside organizations fall into this category.

## **20.0 Pre-Licensing**

Some of the programming on KN is acquired by pre-licensing new productions by Canadian independent film and television producers. Pre-licensing results in a commitment of cash and, in some cases, production facilities. The program or series that results is made available by the producer on a priority basis, and OLA commits to broadcasting the program at least once during prime time within two years of the delivery of the licence commencement date.

OLA has no financial responsibility other than the contribution of funds in exchange for broadcast rights. Management of copyright exploitation resides with the independent producer or the production company.

Over the past three years, KN has made pre-licensing commitments to Canadian producers averaging \$416,000 per year. Actual expenditures have been less, at approximately \$259,000 per year, because not all of the projects have been successfully completed. Currently, KN has pre-licensing commitments with over 90 producers. The maximum outstanding financial obligation associated with these commitments at July 31, 2003 was \$350,000 per year for this fiscal year and next.

*Document Room – More detail on contractual commitments to independent producers will be made available to registered Proponents in the Document Room.*

## **21.0 Finance**

KN receives base operating funding of approximately \$5.1 million per year from AVED through the OLA. In addition, it raises revenue through PiK and program sponsors. The amount varies from year to year. In the current fiscal year (2003/04), self generated revenue is expected to total \$2.3 million. Table Three shows that KN's current annual **budget** is \$7.4 million. Table Four shows KN's **actual** Operating Revenue and Expenses for last three fiscal years by activity.

Tables Three and Four distinguish activities funded out of base funding and self-funded activities. Self-funded revenues include deferred revenues from the prior year. The figures in the tables are for the operating fund only. In 2003/04, OLA has budgeted \$133,000 for KN capital expenditures, including payment of \$113,000 on a capital lease for cameras. Over the previous three years, OLA spent a total of almost \$1 million out its capital fund on KN's behalf. The multi-year capital lease for camera equipment runs to March 1, 2006.

As noted earlier, this budget does not include the cost of support services provided by OLA (estimated to cost in the order of \$0.9 million), rent on the space occupied (base rent is not charged) or the cost of amortization of physical assets.

*Document Room - Audited Financial Statements of OLA will be available to registered Proponents in the Document Room.*

**TABLE THREE**

|  | 2003/2004        |                  |
|--|------------------|------------------|
|  | Revenue          | Expense          |
| <b>Base-Funded Activity</b>                          |                  |                  |
| KN General Manager's Office                          | 0                | 266,323          |
| KN Resource Development Office                       | 0                | 196,645          |
| KN Broadcast Design & Promo                          | 0                | 236,510          |
| KN TV & New Media                                    | 0                | 229,468          |
| KN Dir, Marketing & Communications                   | 0                | 201,434          |
| KN Communications                                    | 0                | 364,152          |
| KN Director, New Media                               | 0                | 509,482          |
| KN Production Projects                               | 0                | 269,480          |
| KN Business Operations Unit                          | 0                | 264,592          |
| KN Pgm: Arts & Specials                              | 0                | 188,441          |
| KN Pgm: Social Issues & How To                       | 0                | 282,046          |
| KN Pgm: Children's Programming                       | 0                | 70,300           |
| KN Director, Operations                              | 0                | 108,234          |
| KN Technical Services                                | 0                | 875,256          |
| KN Satellite Costs                                   | 0                | 369,500          |
| KN Production Services                               | 0                | 668,137          |
| <b>Total AVED Funded Expenditures</b>                | <b>0</b>         | <b>5,100,000</b> |
| <b>Self-Funded Activity</b>                          |                  |                  |
| SF KN General Mgr's Office                           | 22,967           | 22,967           |
| KN Resource Development                              | 0                | 0                |
| SF KN New Media Bus Dev                              | 11,717           | 11,717           |
| SF-KN Production                                     | 0                | 0                |
| SF KN Flow Through                                   | 450,304          | 450,304          |
| SF KN Pgm: Special Funded Projects                   | 59,880           | 59,880           |
| SF KN Pgm: Social & Political                        | 6,592            | 6,592            |
| SF KN TV Prg, Dev, Envir, Health & Science           | 0                | 0                |
| SF KN Children's Projects                            | 20,030           | 20,030           |
| SF KN Operations                                     | 8,269            | 8,269            |
| <b>Total Self-Funded Activity (see Note 1)</b>       | <b>579,759</b>   | <b>579,759</b>   |
| KN Partners In Knowledge (New Funds Raised)          | 1,700,000        | 800,000          |
| KN PIK Deferred Revenue from Prior Year              | 48,907           |                  |
| KN Partners In Knowledge Pgm                         | 0                | 948,907          |
| <b>Total Partners in Knowledge</b>                   | <b>1,748,907</b> | <b>1,748,907</b> |
| <b>Total Revenue &amp; Expense Budget</b>            | <b>2,328,666</b> | <b>7,428,666</b> |
| <b>Note 1 - The self-funded revenue is detailed:</b> |                  |                  |
| Deferred Revenue from Prior Year                     | 69,759           |                  |
| Current Fiscal Revenue                               | 510,000          |                  |
| Unspent Revenue Carried Forward                      | 0                |                  |
| <b>Total Self-funded Revenue</b>                     | <b>579,759</b>   |                  |

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**TABLE FOUR**

|  | 2002/2003 Actual |                  | 2001/2002 Actual |                  | 2000/2001 Actual |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | Revenue          | Expense          | Revenue          | Expense          | Revenue          | Expense          |
| <b>Base-Funded Activity</b>                          |                  |                  |                  |                  |                  |                  |
| KN General Manager's Office                          | 0                | 305,165          | 0                | 270,702          | 0                | 358,416          |
| KN Resource Development Office                       | 0                | 216,990          | 0                | 88,312           | 0                | 0                |
| KN Broadcast Design & Promo                          | 0                | 243,342          | 0                | 278,363          | 0                | 202,836          |
| KN TV & New Media                                    | 0                | 230,921          | 0                | 242,384          | 0                | 231,813          |
| KN Dir, Marketing & Communications                   | 0                | 150,664          | 0                | 271,728          | 0                | 557,712          |
| KN Communications                                    | 0                | 335,936          | 0                | 374,415          | 0                | 135,777          |
| KN Director, New Media                               | 75               | 757,197          | 0                | 453,660          | 0                | 758,730          |
| KN Production Projects                               | 0                | 0                | 0                | 0                | 0                | 0                |
| KN Business Operations Unit                          | 0                | 257,842          | 0                | 298,030          | 2,518            | 304,492          |
| KN Pgm: Arts & Specials                              | 0                | 172,385          | 0                | 284,006          | 0                | 88,214           |
| KN Pgm: Social Issues & How To                       | 0                | 280,127          | 0                | 242,477          | 0                | 144,338          |
| KN Pgm: Children's Programming                       | 0                | 77,000           | 0                | 92,277           | 0                | 237,752          |
| KN Director, Operations                              | 0                | 128,733          | 0                | 126,745          | 0                | 124,111          |
| KN Technical Services                                | 0                | 857,006          | 0                | 863,285          | 5,000            | 808,364          |
| KN Satellite Costs                                   | 0                | 369,584          | 0                | 369,584          | 0                | 364,689          |
| KN Production Services                               | 2,063            | 692,365          | 0                | 654,545          | 0                | 718,178          |
| <b>Total AVED Funded Expenditures</b>                | <b>2,138</b>     | <b>5,075,257</b> | <b>0</b>         | <b>4,910,513</b> | <b>7,518</b>     | <b>5,035,422</b> |
| <b>Self-Funded Activity</b>                          |                  |                  |                  |                  |                  |                  |
| SF KN General Mgr's Office                           | 6,459            | 6,459            | 28,741           | 30,000           | 119,230          | 80,606           |
| KN Resource Development                              | 20,126           | 0                | 57,580           | 0                | 0                | 0                |
| SF KN New Media Bus Dev                              | 17,393           | 28,900           | 16,700           | 15,432           | 1,740            | 5,000            |
| SF-KN Production                                     | 120,109          | 112,000          | 89,948           | 123,377          | 140,605          | 125,383          |
| SF KN Flow Through                                   | 0                | 0                | 0                | 0                | 0                | 0                |
| SF KN Pgm: Special Funded Projects                   | 164,824          | 183,460          | 483,685          | 603,771          | 1,044,013        | 1,199,646        |
| SF KN Pgm: Social & Political                        | 248,057          | 214,170          | 391,325          | 601,130          | 617,026          | 719,487          |
| SF KN TV Prg, Dev, Envir, Health & Science           | 0                | 0                | 0                | 0                | -5,966           | -5,966           |
| SF KN Children's Projects                            | 67,880           | 82,256           | 93,091           | 136,472          | 494              | 26,539           |
| SF KN Operations                                     | 14,449           | 24,209           | 32,648           | 29,000           | 38,768           | 50,945           |
| <b>Total Self-Funded Activity (see Note 1)</b>       | <b>659,297</b>   | <b>651,454</b>   | <b>1,193,718</b> | <b>1,539,182</b> | <b>1,955,910</b> | <b>2,201,640</b> |
| KN Partners In Knowledge (New Funds Raised)          | 1,565,636        | 829,725          | 1,543,694        | 864,000          | 1,534,817        | 726,000          |
| KN PIK Deferred Revenue from Prior Year              | 267,840          |                  | 246,770          |                  | 357,619          |                  |
| KN Partners In Knowledge Pgm                         | 0                | 1,167,840        | 0                | 782,770          | 0                | 981,619          |
| <b>Total Partners in Knowledge</b>                   | <b>1,833,475</b> | <b>1,997,565</b> | <b>1,790,464</b> | <b>1,646,770</b> | <b>1,892,436</b> | <b>1,707,619</b> |
| <b>Total Actual Revenue &amp; Expense</b>            | <b>2,494,910</b> | <b>7,724,276</b> | <b>2,984,182</b> | <b>8,096,465</b> | <b>3,855,864</b> | <b>8,944,681</b> |
| <b>Note 1 - The self-funded revenue is detailed:</b> |                  |                  |                  |                  |                  |                  |
| Deferred Revenue from Prior Year                     | 378,380          |                  | 519,059          |                  | 356,069          |                  |
| Current Fiscal Revenue                               | 350,676          |                  | 1,053,039        |                  | 2,118,900        |                  |
| Unspent Revenue Carried Forward                      | -69,759          |                  | -378,380         |                  | -519,059         |                  |
| <b>Total Self-funded Revenue</b>                     | <b>659,297</b>   |                  | <b>1,193,718</b> |                  | <b>1,955,910</b> |                  |

## **22.0 Broadcasting and Production Equipment**

The Master Control is a semi-automated analogue operation utilizing a Betacart and three Betacam SP decks. The switcher is a Utah Scientific device with a ten by one back up unit. Audio is delivered in stereo.

Unique to KN is the Broadcast Application software, known as BRAP, which was developed with an external partner more than ten years ago and for which the Agency holds exclusive copyright. This software has been periodically upgraded to provide many of the capabilities found in later generation software.

The central Video Tape Recorder (VTR) facility is used for quality control and dubbing services on acquired and commissioned programming. It includes multiple Betacam SP decks, some residual one-inch machinery, Digital Betacam, IMX and one DV deck for inter-format work. It also has six VHS decks for limited dubbing.

More detail on the production and maintenance equipment is included in Appendix C.

The central VTR facility is used for all studio productions and is equipped for 'C' & 'KU' band satellite reception and closed caption laybacks. The in-house standard for original materials involves mastering to Digital Betacam.

All of the major electronic components are housed in a separate Central Equipment Room. This room contains a Pesa 128 x 128 routing switcher (populated to 64 x 64), a Ward Beck intercom, Grass Valley Production switchers and associated DVEs, all audio and video distribution equipment, and an in-house cable system.

On-air operations are supported by a UPS and a standby generator. Should an emergency situation require it, any VTR Video Tape Recorder in the plant is accessible via the routing switcher.

The facilities include a maintenance/engineering shop with multiple workstations, a clean room, and parts room.

## **23.0 The CRTC Licence**

The OLA holds a licence from the CRTC to broadcast KN and is regulated pursuant to the federal *Broadcasting Act*, the Television Broadcasting Regulations and other applicable laws and regulations impacting "provincial authorities for educational broadcasting". The first CRTC license was granted in September, 1992 and renewed in March, 2000. The current license term expired in February, 2003. Following submission of a Broadcast Licence Renewal Application in August 2002, the CRTC granted an Administrative Renewal which expires in February, 2004. The CRTC is currently reviewing the August 2002 application and will continue those proceedings into the fall of 2003.

Because KN is British Columbia's provincial authority for educational television broadcasting the CRTC generally requires cable operators to carry the channel on basic cable.

Conditions of the current license granted to KN include:

- Adherence to the Television Broadcasting Regulations including the Canadian content regulations of at least 60% in the broadcast year and at least 50% in the evening broadcast period.
- Adherence to certain broadcast codes and guidelines regarding gender roles and violence in programming.

In addition, KN has made representations to increase the level of closed captioning of programming carried on KN in line with CRTC expectations of similar licensees.

For some of its older Canadian programs, KN has not been able to obtain a certification number. This has led to an ongoing dialogue with the CRTC staff about the extent to which KN is meeting its Canadian content obligations. KN management has been responding to the concerns of Commission staff and expects that the licence will be renewed in due course following regular CRTC processes.

*Document Room – the Current CRTC licence and the latest Broadcast Licence Renewal Application will be available to registered Proponents in the Document Room.*

#### **24.0 CRTC Approval of the New Operator**

OLA cannot transfer the existing licence to a successful Proponent. Therefore, the successful Proponent will be required to file a successful application with the CRTC for issuance of a new licence prior to transfer of responsibility for KN. The application would be supported by OLA and the Provincial Government.

Following selection of the successful Proponent, it is expected that the Provincial Government will:

- Designate the successful Proponent as the Province's provincial authority for educational television broadcasting.
- Enter into a contract with the designated authority that establishes the terms and conditions for the authority to be the provincial authority for educational television broadcasting for a renewal period of up to seven years.
- Expect the designated authority to make an application to the CRTC for a broadcasting licence as expeditiously as possible.
- Transfer staff and assets to the new Operator following receipt of a broadcast licence from the CRTC.

The Provincial Government will only designate a new Operator that has a high probability of receiving a CRTC broadcasting licence. Proponents should be aware that, under CRTC processes, the designated broadcaster must show, among other criteria that its educational programming is:

(a) programming designed to be presented in such a context as to provide a continuity of learning opportunity aimed at the acquisition or improvement of

knowledge or the enlargement of understanding of members of the audience to whom such programming is directed and under circumstances such that the acquisition or improvement of such knowledge or the enlargement of such understanding is subject to supervision or assessment by a provincial authority by any appropriate means, and

(b) programming providing information on the available courses of instruction or involving the broadcasting of special education events within the educational system, which programming, taken as a whole, shall be designed to furnish educational opportunities and shall be distinctly different from general broadcasting available on the national broadcasting service or on privately owned broadcasting undertakings.

## **Terms and Conditions of the Request for Expressions of Interest**

Submission of a Proposal in response to this Request for Expressions of Interest indicates acceptance of all the terms and conditions outlined in the REOI.

### **25.0 Terminology**

The following terms will apply to this Request for Expressions of Interest and to any subsequent agreement which may flow from this procurement process.

- “AVED” means British Columbia’s Ministry of Advanced Education;
- “Contact Person” means the person identified in Section 52 to whom all enquiries must be directed;
- “CRTC” means the Canadian Radio-Television and Telecommunications Commission;
- “Designation Agreement” means the written agreement that may result from this REOI executed by AVED/OLA and the Proponent;
- “Document Room” means the internet based secure location for housing documents and materials related to KN;
- “EOI” means Expression(s) of Interest;
- “KN” means Knowledge Network;
- “must”, “mandatory” or “required” means a requirement that must be met in order for an EOI to receive consideration;
- “OLA” means Open Learning Agency;
- “Operator” means the successful Proponent to this REOI who enters into a written Agreement with AVED and the Province to become the designated provincial authority for educational television broadcasting;
- “Partnerships BC” means Partnerships British Columbia Inc.
- “PiK” means the Partners in Knowledge Program, a donor based program which enables viewers of KN to make tax deductible contributions to support KN;
- “Proponent” means an individual or a company or a consortium that submits, or considers submitting, a Proposal in response to this REOI;
- “Proposal” means a proposal containing an offer to operate KN in accordance with the instructions and requirements of this REOI;
- “Province” means Partnerships BC, AVED, OLA and the Provincial Government;
- “Provincial Government” means Her Majesty in Right of the Province of British Columbia;
- “REOI” means Request for Expressions of Interest;

- “REOI Submission Deadline” means the date and time by which Proposals must be received by Partnerships BC in order to be eligible for consideration, which is 4:00 pm Pacific Time on November 24, 2003;
- “should” or “desirable” means a requirement having a significant degree of importance to the objectives of the REOI; and
- The “successful Proponent” means the successful Proponent to this REOI.

## **26.0 Terms and Conditions**

1. *Financial terms and conditions.* In the event that this REOI process leads to direct negotiations with one Proponent, specific financing details such as payment and deposit terms, will be part of those negotiations and will be identified at that time. If, as a result of the REOI process, it is determined that there are two or more Proponents that provide EOs which are, in the sole discretion of the Province, of similar viability and meet or exceed the evaluation criteria set out in Section 40, there will be an issuance of a RFP and financial details will be identified in greater detail in the official RFP document.
2. *Financing.* Neither AVED/OLA nor the Provincial Government will offer financing terms to any Proponent.
3. *Proposal Validity.* Proposals must remain open for acceptance by the Province for 120 days after the REOI Submission Deadline.
4. *Proponents’ Expenses.* Proponents are solely responsible for their own expenses in preparing a Proposal and for any subsequent negotiations with the Province, as well as any subsequent application costs pertaining to the issuance of a new licence by the CRTC. If the Province elects to reject all Proposals, the Province will not be liable to any Proponent for any claims, whether for costs incurred by the Proponent in preparing the Proposal, loss of anticipated profit in connection with any final Designation Agreement, or any other matter whatsoever.
5. *KN Offered “As Is, Where is”.* KN assets are offered “as is, where is”. Neither AVED/OLA nor the Provincial Government makes any representations or warranties regarding the suitability of any of the assets for any purpose.
6. *Modification of Terms.* The Province reserves the right to modify the terms of this REOI at any time at its sole discretion. This includes the right to cancel this REOI at any time prior to entering into a binding agreement with a Proponent.
7. *Changes to Wording.* The Proponent will not change the wording of its Proposal after the REOI Submission Deadline and no words or comments will be added to the Proposal, unless requested by or approved by the Province.

8. *Eligibility.* Proposals from public and not-for-profit agencies will be evaluated using the same criteria as those received from any other Proponents.
9. *Ownership of Proposals.* All documents, including Proposals, submitted to Partnerships BC become the property of the Province and will not be returned to Proponents. They will be received and held in confidence by the Province, subject to the provisions of the Freedom of Information and Protection of Privacy Act.
10. *Right to Not Accept Any EOI.* The Province reserves the right to not accept any EOI and is not bound to enter into any Designation Agreement with any Proponent. In the event that no EOI is selected, the Province will declare the REOI process terminated.
11. *No Implied Approvals of Use.* Neither acceptance of a Proposal nor execution of a Designation Agreement will constitute approval of any activity or development contemplated in any Proposal that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation, or bylaw.
12. *Use of Request for Expressions of Interest.* This document, or any portion thereof, may not be used by others for any purpose other than the submission of Proposals.
13. *KN Broadcasting and Production space.* Because the future use of the OLA facility by KN is under review by the Provincial Government, Proponents must not assume that either the space or the studios will continue to be available after December 31, 2004. Proponents must not assume that more space than that occupied by KN will be available in the building.
14. *Copyright.* Proponents must assume that the Provincial Government will retain copyright over key elements of intellectual property including the 'Knowledge Network' name and web domain name. However, the Provincial Government may make these properties available to the Proponent on terms and conditions to be negotiated.

## **Additional Terms and Conditions**

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### **27.0 Partnerships or Consortiums**

1. Partnerships or consortiums, with all parties clearly identified in the EOI, are acceptable. This includes a joint submission by two or more Proponents. However, in this case, one of these Proponents must be prepared to take overall responsibility for the Proposal and any subsequent negotiations that may flow from this REOI process.
2. Partnerships or consortiums with firms or individuals whose current or past corporate or other interests may, in Partnership BC's opinion, give rise to a conflict of interest in connection with this REOI process will not be permitted.

### **28.0 Acceptance of EOI**

1. Partnerships BC, on behalf of AVED/OLA, will be under no obligation to receive further information, whether written or oral, from any Proponent.
2. Partnerships BC, on behalf of AVED/OLA, is not under any obligation to negotiate an agreement, and reserves the right to terminate the REOI process at any time.

### **29.0 Laws of British Columbia**

Any agreement resulting from this REOI will be governed by and will be construed and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

### **30.0 Transfer of Staff**

Proposals should clearly outline strategies for incorporating KN staff into the proposed business plan.

### **31.0 Exempt/Excluded Component**

Proponents should familiarize themselves with common law for Exempt/Excluded employees with respect to employment that is deemed to be continuous and uninterrupted in the event of a transfer.

### **32.0 Pension Plans**

Proponents should also familiarize themselves with the Pension Corporation's family of Pension Plans (i.e. College Pension Plan, Municipal Pension Plan, Teachers' Pension Plan, Public Service Pension Plan) for inter-plan transfer and eligibility for membership.

## **Proposal Procedures and Requirements**

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### **33.0 REOI Registration Form**

To receive consideration and gain access to the electronic data room interested Proponents must fill out and return a copy of the attached REOI registration form attached as Appendix A. All subsequent information regarding this REOI, including changes made to this document, will be distributed to registered Proponents to the contact named on the form.

### **34.0 Enquiries**

All enquiries related to this REOI are to be directed in writing, or via E-Mail, to the Contact Person designated below – deadline for enquiries is 2 pm Pacific Time November 14, 2003. Information obtained from any other source is not official and should not be relied upon. Enquiries and responses will be recorded and may be distributed to all Proponents at Partnerships BC's option.

Attention: Karla Kennedy  
Partnerships BC  
E-mail: [karla.kennedy@partnershipsbc.ca](mailto:karla.kennedy@partnershipsbc.ca)  
Phone Number: (604) 660-1242  
Fax Number: (604) 660-1199

### **35.0 Site Visits**

Registered Proponents will have the opportunity to view the site by appointment at mutually convenient times. Appointments must be arranged through the designated Contact Person.

### **36.0 Minimum Content Requirements of Submissions**

In order to receive full consideration during evaluation, Proposals must include the following:

- A. *Proponent information.* The Proposal must include:
- i. the name of the individual, company, or entity that intends to present its Proposal for KN, the business address of the Proponent, and contact information (telephone number, fax number, and email address) for the Proponent; and
  - ii. A description of the television broadcasting experience of the Proponent.
  - iii. In addition, if the Proposal is from a private company or other private entity, the Proposal must include:
    - a. the name(s) of all individuals having a direct or indirect ownership interest (indicating both legal and beneficial interests), their percentage ownership of the entity, the directors and senior officers of the entity, and the jurisdiction of its incorporation; and

- b. The Proposal must also identify all “affiliates” of the Proponent (as that term is defined in the BC Company Act).
  - iv. In addition, if the Proposal is from a consortium, information must be provided for all Proposal participants, including their legal and financial relationships with each other. The Proposal must also define the lead firm who is deemed to be the owner of the Proposal in the event that the consortium unwinds.
- B. *Authorized signature.*** The Proposal must name and be signed by a person authorized to sign on behalf of the Proponent (Appendix B). If the Proposal is being submitted by a consortium, one individual must be designated in the Proposal as the principal with legal authority to bind the consortium and must sign.
- C. *Evaluation criteria.*** The Proponent must provide a detailed description as to how the Proponent will meet the evaluation criteria set out in Section 40.
- D. *British Columbia based operation.*** Proponents must indicate their commitment to keep KN, consistent with the CRTC licensing requirements, based in the province of British Columbia.
- E. *Temporary occupation of KN’s current space within OLA.*** Proponents must indicate whether they would prefer to lease the space currently occupied for KN. However, because the future use of the OLA building is under review by the Provincial Government, Proponents must not assume that the space occupied by KN will continue to be available after December 31, 2004. Proponents must not expect to lease space in the OLA building other than that occupied by KN. Also, the building is not for sale as part of this REOI.
- F. *Broadcasting and Production Equipment.*** Proponents must indicate whether they wish to acquire KN’s broadcasting and production equipment, and other assets, and the financial compensation offered. All equipment is offered for sale ‘as is and where is’.
- G. *Partners in Knowledge.*** Proponents must indicate how they will meet the outstanding programming and funding commitments with respect to the PiK program. Proponents must acknowledge that any PiK funds raised by OLA on behalf of KN will not be transferred to the Proponent. All PiK funds collected, net of collection costs, will be spent on programming traditionally supported by program donors. Proponents must indicate how they will incorporate this programming into their broadcast schedule.
- H. *Evidence of financial capacity.*** Proponents must clearly demonstrate they have the financial capacity to execute and complete a transaction and a successful CRTC application process by providing financial statements and/or a letter from a financial institution consistent with the standards established by the CRTC in reviewing license applications to the CRTC. Recognizing that the Evaluation Committee is evaluating the EOIs with the probability of CRTC approval of a Proposal as an important consideration, Proponents should refer to the CRTC’s “Commission Policy Regarding Documentary Evidence to

Confirm the Availability of Financing” to assist in responding to this minimum content requirement.

- I. *Intellectual Property*. Proponents must indicate which intellectual properties they wish to acquire.
- J. *Outstanding obligations*. Proponents must indicate how any outstanding contractual obligations, including commitments to independent producers, will be addressed.

### 37.0 Debriefing

At the conclusion of the REOI process, all Proponents will be notified. Unsuccessful Proponents may request a debriefing meeting.

### 38.0 Significant Dates

The following timetable outlines the anticipated schedule for the REOI. The timing and the sequence of events resulting from this REOI may vary and shall ultimately be determined by the Province.

| Event   | Proposed Date   |
|---|---|
| REOI issued<br>➤ Registration open (\$125 cost to register)                                 | September 22, 2003  |
| Deadline for Enquires   | November 14, 2003   |
| Submission Deadline   | November 24, 2003   |
| Review and Evaluation of Submissions  | December 2003 – January 2004  |
| Recommended option to OLA Board and Treasury Board  | January 2004 – February 2004  |
| Decision Point – 2 Potential Options  |   |
| <b>Option 1</b> – Enter into negotiations with preferred Proponent resulting from the REOI. | ➤ 8 wks to negotiate binding agreement subject to CRTC approval (approximately 4 to 6 months).  |
| <b>Option 2</b> – Issue a RFP to short listed Proponents.                                   | <ul style="list-style-type: none"> <li>➤ 3 wks to develop/issue RFP;</li> <li>➤ 4 wks response period for proponents;</li> <li>➤ 2 wks to evaluate and select successful Proponent;</li> <li>➤ 4 wks for final negotiations;</li> <li>➤ 2 wks for OLA Board and TB approval; and</li> <li>➤ Financial close and CRTC approval (approximately 4 to 6 months).</li> </ul> |
| <b>Option 3</b> – No Proponent Selected   | ➤ Evaluation Committee reports such findings to the Province  |
| Event   | Proposed Date   |
| Notification of preferred Proponent.  | March 2004  |
| Negotiation of Memorandum of Understanding with preferred Proponent.                        | March 2004  |

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|  |               |
|--|---------------|
| Negotiation of Designation Agreement with preferred Proponent. | April 2004    |
| Submission of CRTC application by the preferred Proponent.     | May 2004      |
| Projected outcome of CRTC application process                  | November 2004 |

## **Procedure for Evaluation of REOI's**

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### **39.0 Evaluation Committee**

Proposals will be evaluated by a committee chaired by Partnerships BC with representation from AVED, OLA and external advisors.

### **40.0 Evaluation of Proposals**

The Province is seeking a Proponent, who, through creativity and innovation, can clearly demonstrate its ability to operate as the designated provincial authority for educational television broadcasting on a **self-sustaining basis**. The following outlines the evaluation process:

1. Proposals will be opened immediately after the REOI Submission Deadline. There will not be a public opening.
2. Any Proposals that do not comply with the minimum content requirements as listed in Section 36 will be immediately rejected.
3. The Evaluation Committee will evaluate the Proposals using the following criteria:
  - a. Consistency with the CRTC licensing criteria and the likelihood of CRTC approval. CRTC licensing criteria (as defined by applicable legislation and policy statements) include:
    - Canadian ownership of the Proponent;
    - Commitment to meet Canadian content requirements;
    - Commitment to meet the educational programming mandate of the licence;
    - Financial capability of the Proponent;
    - Significant and unequivocal benefits to the Canadian Broadcasting System as put forward in the proposed application to the CRTC; and
    - Residence in British Columbia as British Columbia's designated provincial authority for educational television broadcasting.
  - b. Financial considerations and or compensation for KN.
    - Anticipation of payment for assets and goodwill value of KN (specific payment terms and or conditions).

- Expectation of amount of transitional funding from the Provincial Government, if any (specific payment terms and or conditions).
- c. Proponents' proposed vision including, but not limited to:
- Proposed vision for educational programming;
  - Proposed strategies for incorporating KN staff;
  - Proposed business model for financial self-sustainability;
  - Proposed location of the broadcast facilities, offices and production facilities for KN;
  - Impact on employment and investment in BC's television broadcasting and independent production industry; and
  - Capacity to execute the transfer in a timely fashion, including the completion of a CRTC application process;
4. The Evaluation Committee may request any or all Proponents to provide written clarification of aspects of the Proposal.
5. The Evaluation Committee may request one or more Proponents to attend an interview in person or by conference call.
6. The Evaluation Committee will recommend to OLA's Board of Directors:
- a. A preferred Proponent with whom the Province should enter into direct negotiations. If a preferred Proponent is recommended, the Evaluation Committee may also recommend the selection of a second Proponent with whom negotiations could proceed in the event an agreement cannot be reached with the Preferred Proponent;
  - b. If two or more Proponents provide EOIs which, in the sole discretion of the Evaluation Committee, are of similar viability and meet or exceed the evaluation criteria, a short list will be established and the Province will issue a formal request for proposal ("RFP") to those Proponents selected for the short list; or
  - c. If no suitable Proponent is found, the Evaluation Committee will report such findings to the Provincial Government.
7. OLA's Board of Directors will review the recommendation of the Evaluation Committee and report to the Provincial Government. Once the Provincial Government has rendered a decision providing AVED/OLA with directions, all Proponents will be advised of the outcome of the process.

## **Negotiation of Agreements**

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### **41.0 Negotiations of Agreements**

If the Province selects a preferred Proponent, it intends to proceed as follows:

- a. Within 30 business days of the notification of the selection of the preferred Proponent, the Province intends to enter into a binding Memorandum of Understanding consistent with the EOI which will define the principal business terms including provisions (if any) for due diligence. Upon execution of this Memorandum by the Province and the Proponent, a \$250,000 deposit will become non-refundable except as provided in the Memorandum.
- b. Within 30 days of executing the Memorandum of Understanding, the Province intends to enter into the Designation Agreement to designate the Proponent as the Province's provincial authority for educational television broadcasting recognizing that the effective transfer cannot occur until CRTC approval is obtained.
- c. The closing date is intended to occur within 30 days of receipt of approval of the CRTC of the issuance of a new licence to the chosen Proponent.

If any of the target dates above cannot be achieved, the Province may, in its sole discretion:

- i. terminate negotiations with the preferred Proponent and then enter into negotiations with another qualified Proponent; or
- ii. terminate the REOI process, in which case the Province reserves the right to retain KN or enter into negotiations with any party.

## **Disclaimers**

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### **42.0 Liability for Errors**

While the Province has used considerable efforts to ensure an accurate representation of information in this REOI, the information contained in this REOI is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the Province, nor is it necessarily comprehensive or exhaustive. Nothing in this REOI is intended to relieve Proponents from forming their own opinions and conclusions with respect to the matters addressed in this REOI.

### **43.0 Agreement with Terms**

By submitting an EOI, the Proponent agrees to all the terms and conditions of this REOI. Proponents who have obtained the REOI electronically must not alter any portion of the document, with the exception of adding the information requested. To do so will invalidate the EOI.

### **44.0 Modification of Terms**

The Province reserves the right to modify the terms of this REOI and any subsequent process at any time in their sole discretion. This includes the right to cancel this REOI or subsequent Request for Proposals at any time.

### **45.0 Ownership of EOI s and Freedom of Information**

Once the REOI process is complete, all submitted Proposals become government records, which are public documents and subject to the Freedom of Information and Protection of Privacy Act. The Province has a duty to release all public documents to a requestor upon specific request.

However, any commercial information that could cause potential economic harm to a Proponent's business interests may be severable from the request and remain confidential. Disclosure harmful to business interests is defined in Section 21 of the Freedom of Information and Protection of Privacy Act. Proponents are advised to familiarize themselves with the provisions of this Act.

### **46.0 Use of REOI**

This document, or any portion thereof, may not be used for any purpose other than the submission of EOI's to Partnerships BC.

### **47.0 Confidentiality of Information**

Information pertaining to OLA and KN obtained by the Proponent as a result of participation in this process is confidential and must not be disclosed without prior written authorization from OLA.

#### **48.0 Indemnity**

The Proponents will indemnify and save harmless the Province and its employees and agents from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Province and the Proponent, member of a Proponent or Proponent partner or member of Proponent's consortium, at any time or times (either before or after the REOI process) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by a Proponent or by any servant, employee, officer, director or partner of a Proponent, member of a Proponent or Proponent partner or member of Proponent's consortium, pursuant to the REOI process.

#### **49.0 Limitations of Transfer**

Any successful Proponent should be aware that the Provincial Government will reserve the right to approve any subsequent transaction by the successful Proponent which transaction is intended to transfer the delegation of the role of provincial education authority to a subsequent purchaser or assignee.

#### **50.0 No Liability**

It is a fundamental condition of this REOI and the participation of anyone in any part of the REOI process that the Province and their respective officers, employees, consultants and agents, shall not under any circumstances, including pursuant to contract, tort, statutory duty, law, equity or otherwise or any actual or implied duty of fairness, be responsible or liable for any costs, expenses, loss of opportunities, claims, losses, damages or any other liabilities to anyone, including to any Proponent, member of a Proponent or Proponent partner or member of Proponent's consortium, arising out of or related to the REOI, attendance at any information meeting, or the preparation, acceptance or rejection of any REOI (whether conforming or non-conforming and whether otherwise valid or void), or the amendment, cancellation, suspension or the termination of the REOI, the proposed RFP, or any related process. Proponents, by submitting an EOI, shall be conclusively deemed to have accepted and agreed to the foregoing.

#### **51.0 No Lobbying**

From September 22, 2003, Proponents, any member of a Proponent or Proponent's consortium or associate of the Proponent will not engage in any form of political or other lobbying whatsoever with respect to the REOI or to influence the outcome of the REOI. In the event of any such lobbying or communications, the Province, at its sole and absolute discretion, may at any time, but not be required to, reject any REOI submitted by that Proponent without further consideration and either terminate that Proponent's right to continue participating in the REOI stage and subsequent stages of the REOI process, or impose such conditions on that Proponent's continued participation in the REOI

stage as Partnerships BC, at its sole discretion, may consider in the public interest or otherwise appropriate.

**52.0 Single Point of Contact**

All enquiries pertaining to this REOI must be made in writing, and are to be made directly to and only to Partnerships BC to the attention of:

Karla Kennedy  
Partnerships BC  
1250-999 West Hastings Street  
Vancouver, BC  
V6C 2W2

E-mail: [karla.kennedy@partnershipsbc.ca](mailto:karla.kennedy@partnershipsbc.ca)

Phone Number: (604) 660-1242

Fax Number: (604) 660-1199

Any other contact made may be considered to be, in the sole discretion of the Province, a breach of Section 51.

## Appendix A – REOI Registration Form

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### The Knowledge Network REOI REOI Closing date: November 24, 2003 Partnerships BC

In order to receive official consideration for this Request for Expressions of Interest and obtain access to the Document Room please return this form, along with a certified cheque or money order (payable to Partnerships BC Inc.) of \$125.00 Cdn., by mail to:

Partnerships British Columbia  
1250-999 West Hastings Street  
Vancouver, BC  
V6C 2W2

Attn: Karla Kennedy

**PROPONENT:** \_\_\_\_\_

**STREET ADDRESS:** \_\_\_\_\_

**CITY/PROVINCE:** \_\_\_\_\_

**POSTAL CODE:** \_\_\_\_\_

**MAILING ADDRESS IF DIFFERENT:** \_\_\_\_\_  
\_\_\_\_\_

**PHONE NUMBER:** \_\_\_\_\_ **FAX NUMBER:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_

**E-MAIL:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

## **Appendix B – Submission Covering Letter**

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*Letterhead or Proponent's name and address*

*Date*

Partnerships British Columbia  
1250-999 West Hastings Street  
Vancouver, BC  
V6C 2W2

Attention:

Dear Sir/Madam:

Subject: **Request for Expressions of Interest**

**Knowledge Network**

**List any amendment numbers and dates**

The enclosed Expression of Interest is submitted in response to the above-referenced Request. Through submission of this document we agree to all of the terms and conditions of the Request for Expressions of Interest.

We have carefully read and examined the Request for Expressions of Interest and have conducted such other investigations as were prudent and reasonable in preparing this submission.

Yours truly

\_\_\_\_\_  
***Authorized signature***

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Legal name of Proponent: \_\_\_\_\_

Date: \_\_\_\_\_

## **Appendix C – Production and Post-Production Equipment**

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### **Production Equipment - Studios One and Two**

Both studios have Strand Century lighting and controllers with a dimmer per drop. There is a full selection of lights and grip equipment.

The studios share control rooms and cameras. There are three Sony DXC 35 cameras (with 16 x 9 capable Fuji lenses), each mounted on a Vinton Fulmar pedestal. A Jimmy and mini-jib are available for productions requiring them.

The control rooms are generous in dimension so as to allow large and complex productions, but they can run with small crews as well. The video switcher is a Grass Valley 250 with DVE. There is a Chyron Duet and Listec prompter. The Ward Beck intercom includes IFB capability.

The audio control room that is adjacent and visually connected to the video one, contains a thirty-six input Sony stereo console. The studio has RDATE and numerous wireless microphone systems permanently assigned. Both Fisher and Mole mike booms are on site as well.

### **Production Equipment - Studio Three**

There are three Panasonic industrial-level robotic cameras, Sony and Ross video switchers, and a Mackie audio board. Lighting is fluorescent. To offer interactivity, there is a six-line phone bridge and Internet connectivity. Graphics and clips are handled by Chyron "Codi" and Pinnacle disk systems. The control room has Beta SP, DV and VHS tape decks.

### **Field Production Equipment**

The prime Electronic Field Production systems are two Sony Digital Betacam 907 WS devices with 16 x 9 Fujinon lenses. In addition, the Network has a Sony 400a and an Ampex 570 for Betacam SP assignments. There are wide-angle Fujinon lenses available for 16 x 9 and standard aspect ratio productions.

Each camera system has a complete set of peripheral equipment such as Sachler tripod, heads and lighting kits, wireless mics, audio mixers, matt boxes and filters and all the Portabrace cases to transport the packages. In addition, KN has HMIs and other specialized grip equipment and a field prompter.

KN has two GMC Yukon vans on short-term leases to support field production activities. These leases expire in August and November 2004.

### **Post Production Equipment**

For post production KN has two Avids, two Sony linear systems, Protocols for audio, and numerous Sony J-3 logging/screening suites.

The prime, non-linear edit system is an Avid Media Composer Version 2 on a Mac G-4. The system currently has 320 megabytes storage, plus additional dockable disk capacity. This suite has a sixteen-channel Mackie audio board and a Digital Betadeck for inputting and outputting programming.

For off-line editing KN has an Avid Express fed by a Sony J-3 deck. There is an R-DAT and basic Sony audio board in this suite.

The two linear online edit suites have Sony 9100 control systems, Grass Valley 200 video switchers and DVEs, 16 channel stereo Sony audio boards and Sony R-DAT audio decks. Each suite has a Digital Betacam record deck. The online one suite has both a digital Betacam and an IMX playback deck while edit two has an IMX deck and a BVW 75SP playback deck. Each suite also has a Pinnacle Deko character generator.

There are three screening/logging suites. Two have Sony J-3 multi-format playback decks and the third has a 2800 SP deck.

Audio post production has a dedicated control room with adjacent announcement booth. Protools is the prime resource with two R-DAT decks and a D98 eight-track digital audio deck for master recording.

Videographics operates on a Dell NT computer with Chyron 'Liberty' 2D software and Softimage XSI for 3D applications. A DPS Reality system is utilized for storage and have SDI input and output via a Sony J-3 and a Beta SP device. The videographics system is networked to both the linear and non-linear edit suites' graphic systems.

### **Maintenance/Engineering Shop**

The maintenance/engineering shop has multiple workstations, a clean room, and parts room. It has a full range of audio and video test equipment, including Tektronics TDS 5054 digital oscilloscope, Tektronics VM 700A, portable Tek systems, and Audio Precision System One. It also has an Auto CAD and wide page schematic printer system.