



NOTICE OF 2021 NOTIFICATION FEE INCREASE

January 7, 2021

Dear Member,

Despite last year's unpredictability, we are very pleased to report that 2020 was a record year for the use of our service with 212,056 locate requests. Most importantly, even as the use of our service climbs, the precision of our mapping system continues to drive down the number of notifications sent to members, as you can see in the table below:

Year	Locate Requests	Notifications	Notification/LR Ratio
2016	170,124	667,353	3.9
2017	190,312	880,229	4.7
2018	203,758	821,445	4.1
2019	202,052	679,203	3.4
2020	212,056	609,367	2.9

Members are benefiting from improvements in our mapping system in two ways:

- There are tens of thousands of fewer billable notifications sent to members; and
- There is a reduction in the number of notifications for assets at possible risk, with the vast majority being for assets at risk.

2021 Notification Fee Increase

BC 1 Call's Board of Directors' main areas of focus are service excellence and the financial sustainability of our organization, which operates as a not-for-profit. In 2020, we significantly reduced the operating costs of running our contact centre. However, these cuts were not sufficient enough to offset the decline in billable notifications due to software efficiencies.

As net notification fees are our sole source of revenue, on November 26, 2020, the Board of Directors approved a 2021 Member Fee of **\$2.50 per net notification**.

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The new fee modelling is based on:

- The amount needed to cover BC 1 Call's approved \$1.4M 2021 operating budget (for reference, our average operating budget from 2014 to 2020 was \$1.47M);
- Assumes approximately 207K locate requests will be submitted in 2021; and
- Assumes a notification/locate request ratio of 2.8.

We have updated our Member's Agreement to reflect the change in the notification fee. You can find it on our [Member Resources](#) page.

Over the last few years, our cost structure has evolved from one that is primarily variable to a more predictable structure based on fixed costs. This change contributes significantly to our financial sustainability as setting fees to cover predictable costs is a far more precise exercise than it is to cover expenses that fluctuate beyond our control.

It also opens the possibility of offering members a fixed rate fee structure. BC 1 Call's six shareholders will pay fixed fees starting in 2021. The shareholders are the largest members and users of the system, and collectively fund over three-quarters of BC 1 Call's operating costs. Moving them to fixed fees based on 2020 net notifications provides BC 1 Call with a much higher level of revenue certainty.

We are considering options for fixed fees for other members and will be reaching out in 2021 for input and feedback on a fixed annual fee concept, method of fee calculation for each member and invoicing preferences.

On a Historical Note

BC 1 Call's member fees have remained flat or decreased over each of the past 24 years, with the exception of 2020 and 2021. For reference, in 2014, fees were \$3.50 per net notification. Recent fee increases were implemented for two reasons:

- **Fewer notifications** due to the decline of our notification / locate request ratio through the Pelican system adopted in 2019; and
- **Fewer new members** due to the fact that our membership base is now mature, with over 360 members, and a growth rate best described as incremental.

Read about our decision to migrate to the Pelican system [here](#).

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Looking Forward to 2021

We will continue to work diligently to drive awareness and use of BC 1 Call to help prevent damage to our members' underground infrastructure and to keep the B.C. excavating community safe.

The Board of Directors and I greatly appreciate your continued membership and support through this time of adaptation and change.

If you have any questions or concerns regarding the price increase, please do not hesitate to reach out to me directly.

Best regards,

Chris Hyland

President and CEO

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