

# Down Bay Ferry Project

## Governance Plan Overview

*Casco Bay Island Transit District*

### 1. Purpose and Scope

This Governance Plan establishes the decision-making framework, risk management protocols, and escalation procedures for advancing the Down Bay Ferry replacement vessel from Preliminary Design through final design, bidding, and construction. It is intended to be read in conjunction with the Project Timeline Matrix (attached).

The plan identifies three formal decision points (**Checkpoints**) requiring Board action before the project may advance to subsequent phases. These checkpoints function as *swing gates*—once the Board provides approval at each gate, authority to execute within that phase rests with the General Manager, subject to the limits of Board Authorization and escalation thresholds defined herein.

### 2. Project Checkpoints

The project is structured around three Board-level decision points. No work within a subsequent phase may commence until the preceding checkpoint has been formally approved by Board vote. Criteria must be met in order for Board authorization, and should not be interpreted as a guarantee that Board will authorize advancement to next project stage.

#### Checkpoint 1: Approval of Preliminary Design Report

**Current Status:** Project is currently at this checkpoint.

**Target Date:** January 22, 2026 Board Meeting

**Decision Required:** Board acceptance of the Preliminary Design Report (PDR) prepared by Bristol Harbor Group (BHG) and approval to proceed to final vessel design.

**Gate Criteria:**

- PDR demonstrates the proposed vessel meets operational requirements for Down Bay service
- Vessel Advisory Committee has reviewed and provided input on the PDR
- Regulatory pathway (USCG Subchapter K certification) has been confirmed as feasible
- Cost estimate is within acceptable confidence range ( $\pm 15\text{-}20\%$ ) and aligns with available funding
- 10-year operating cost assessment

#### Checkpoint 2: Approval of Final Design and Bid Authorization

**Target Date:** February 2027 (following completion of final design)

**Decision Required:** Board acceptance of final vessel design and approval to prepare and release the Plans, Specifications & Estimate (PS&E) package for competitive bidding.

**Gate Criteria:**

- Final design package is complete and construction-ready
- Cost estimate has been refined to  $\pm 10\%$  confidence and in alignment with available funding.
- FTA grant requirements (DBE goals, Buy America) have been incorporated into bid documents
- Construction funding strategy has been confirmed
- All technical risks from PDR have been resolved or have approved mitigation plans

### Checkpoint 3: Bid Award and Construction Contract Authorization

**Target Date:** May 2027 (following bid evaluation)

**Decision Required:** Board acceptance of staff's recommendation for the winning bidder and approval to execute the construction contract.

**Gate Criteria:**

- Competitive bidding process has been completed in accordance with FTA and District procurement requirements
- Recommended bidder has been verified for responsibility (bonding capacity, insurance, DBE compliance, Buy America certification)
- Bid price is within budget or Board has approved additional funding, and funding secured to budget.
- Contract terms have been reviewed by legal counsel
- Owner's representative or construction management arrangement has been identified

## 3. Project Funding

The Preliminary Design and Final Design phases are funded through FTA Grant ME-2023-034. Construction funding will be addressed separately prior to Checkpoint 3.

Phase	Budget	Spent to Date	Status
Preliminary Design (PDR)	\$341,594	\$331,132	On Track
Final Vessel Design	\$620,006	\$0	Not Yet Started
<b>Total Grant Award</b>	<b>\$961,600</b>	<b>\$331,132</b>	

**Grant Details**

1. **Grant Number:** ME-2023-034
2. **Status:** Active
3. **Federal/Local Split:** 80% Federal / 20% Local Match
4. **Scope:** Preliminary Design and Final Design phases

Construction funding sources and amounts will be identified and confirmed prior to Checkpoint 2, and secured prior to Checkpoint 3.

## 4. Reporting Cadence

Report Type	Frequency	Content
GM Monthly Update	Monthly (Board Meeting)	Schedule status, budget performance, risk register updates, key decisions pending
Checkpoint Briefing	As Required	Comprehensive package with gate criteria status, staff recommendation, and supporting documentation
Exception Report	As Triggered	Off-cycle notification when escalation thresholds are reached (see Section 5)

The GM's monthly update will be included in the regular Board meeting packet. It should provide sufficient detail for the Board to maintain oversight without requiring action unless an escalation threshold has been triggered.

## 5. Risk Management Framework

The General Manager shall maintain a project risk register (attached) that identifies, assesses, and tracks mitigation strategies for risks across the following categories:

### Technical Risks

Propulsion system selection and integration, USCG Subchapter K certification pathway, ADA accessibility compliance, terminal compatibility, and integration of any new technologies. The naval architect (BHG) bears primary responsibility for identifying these risks during design phases.

### Financial Risks

Cost escalation beyond estimates, federal grant compliance (including DBE and Buy America requirements), local match availability, and long-term lifecycle cost assumptions. Material cost volatility—particularly for steel, engines, and electrical systems—should be tracked continuously.

### Schedule Risks

Shipyard availability and capacity, long-lead material procurement, permitting timelines, and weather-related construction delays. Current industry conditions include staffing and supply chain challenges that may extend typical construction durations.

### Stakeholder Risks

Community acceptance of vessel design and service changes, crew training requirements for new vessel systems, and regulatory relationships including FTA grant administration.

## 6. Escalation Protocols

The following thresholds trigger escalation from routine GM authority to Board notification or Board action. These thresholds apply during all project phases.

Trigger	Action Required	Timing
Cost variance > 5%	GM review; document in monthly report	Next scheduled Board meeting
Cost variance > 10%	Board notification with explanation and mitigation plan	Within 10 business days
Cost variance > 15%	Board reauthorization required before proceeding	Special meeting if necessary
Schedule delay > 60 days	Board notification with revised timeline	Next scheduled Board meeting
Schedule delay > 6 months	Board review of project viability and path forward	Within 30 days
Critical risk materialized	Immediate Board Chair notification; full Board briefing	Within 48 hours / next meeting

## 7. Roles and Responsibilities

### Board of Directors

Approves advancement at each Checkpoint; authorizes construction contract; approves budget amendments when escalation thresholds are exceeded; provides policy guidance on major design decisions.

### General Manager

Day-to-day project oversight; maintains risk register; provides monthly updates; executes within approved scope and budget between checkpoints; coordinates with naval architect and FTA; triggers escalation when thresholds are reached.

### Vessel Advisory Committee

Provides technical and operational input during design phases; reviews PDR and final design for alignment with operational needs; advisory role diminishes as project moves into construction.

### Naval Architect (Bristol Harbor Group)

Delivers PDR and final design; identifies and documents technical risks; supports bid process by responding to shipyard questions; available for construction oversight as contracted.

## 8. Change Management During Construction

Following Checkpoint 3, change orders arising during construction will be managed according to the following authorities:

- **Change orders ≤ \$25,000:** GM approval authority
- **Change orders \$25,001 – \$75,000:** GM approval with Board notification at next meeting
- **Change orders > \$75,000:** Board approval required prior to execution

Cumulative change orders exceeding 10% of original contract value will trigger a comprehensive Board review regardless of individual change order amounts.

## 9. Document Control

This Governance Plan should be reviewed and updated at each Checkpoint to reflect lessons learned and any changes to project circumstances. The Project Timeline Matrix should be updated at least quarterly and whenever significant schedule changes occur.

**Version:** 1.0

**Prepared by:** General Manager

**Date:** January 2026

## Governance Plan and Timeline for Advancing Preliminary Design

Update as of July 29, 2024 (Update 1/20/25) (Update 1/8/2026)

The following outlines the original schedule, an update from July 2024, an update from January 2025, and an update from January 2026 for the development of the design and construction of the new Down Bay Ferry.

Project Activity/Process Step	Duration	Original Projected Dates	Actual or Updated Projected Dates	Actual or New Update Dates 1/20/25	Actual or New Update Dates 1/8/2026	Responsible Party	Budgeted Cost	Performance Against Budget	Comments
Send out RFP for Naval Architect		1/1/2023	1/30/2023	1/30/2023	1/30/2023	Staff	N/A	N/A	
Received RFP for Naval Architects	2 Months	3/1/2023	3/30/2023	3/30/2023	3/30/2023	Staff	N/A	N/A	
Select Naval Architect	1 Month	4/1/2023	6/1/2023	6/1/2023	6/1/2023	Staff	N/A	N/A	
Sign Contract with Naval Architect	1 Month	5/1/2023	10/4/2024	10/24/2024	10/24/2024	Staff	N/A	N/A	Signing with naval architect was delayed due to FTA request to have a project specific DBE goal for design as well as construction. Rules call for a goal for construction and that design is covered under our 3 year DBE goal.
Project Kick-Off with Vessel Advisory Committee	1 Month	6/1/2023	12/14/2023	12/14/2024	12/14/2024	Board	\$341,594	\$331,132	Funded by FTA Grant ME-2023-034, Status: Active, Total Award \$961,600 including 20% local match.
PDR Process	12 Months	5/1/2024	12/1/2024	4/15/2025	11/12/2025	Board/Staff/ BHG			
PDR Report Accepted by Board	1 Month	6/1/2024	1/30/2025	5/30/2025	1/22/2026	Board			
Checkpoint #1: Board acceptance of PDR and approval to proceed to final vessel design.									
Final Vessel Design	9-12 Months	3/1/2025	9/1/2025	3/1/2026	1/1/2027	BHG	\$620,006	\$0	Funded by FTA Grant ME-2023-034, Status: Active, Total Award \$961,600 including 20% local match.

<b>Checkpoint #2:</b> Board acceptance of final vessel design and approval to prepare and submit package for bidding.									
PS&E Package Ready for Bidding	1 Month	4/1/2025	10/1/2025	4/1/2026	2/1/2027	Staff	N/A	N/A	Note: Per contract, BHG will remain available to answer questions during the bidding process.
Request for Bids	2 Months	6/1/2025	12/15/2025	6/1/2026	4/15/2027	Staff	N/A	N/A	Note: Per contract, BHG will remain available to answer questions during the bidding process.
<b>Checkpoint #3:</b> Board accepts staff's recommendation for winning bidder gives approval to proceed.									
Bid Award	1 Month	7/1/2025	1/15/2026	7/1/2026	5/15/2027	Board	N/A	N/A	This may be done faster if bids are within budget and shipyard, is a known yard.
Sign Contract	1 Month	8/1/2025	2/15/2026	8/1/2026	6/15/2027	Board	N/A	N/A	This is dependent on how quickly the shipyard can get the required bonds and insurance in place and satisfy DBE utilization and Buy America requirements.
Lay Keel	3-4 Months	12/1/2025	6/15/2026	1/15/2027	11/1/2027	Shipyard	<b>TBD</b>	\$0	This is dependent on steel delivery and development of construction support documents.
Construct Vessel	20 Months	6/1/2027	3/1/2028	10/30/2028	7/15/2029	Shipyard			Looking at current trends, it will probably take at least 2 years to construct a vessel regardless of the propulsion system used.
Vessel Delivered to CBL	1 Month	7/1/2027	4/1/2027	11/30/2028	8/15/2029	Shipyard			This could be impacted slightly based on location of where vessel is constructed.
Vessel Ready for Service	2 Months	9/1/2027	6/1/2028	2/15/2029	11/1/2029	Staff			This is dependent on crew availability to become familiar with a new vessel and local Coast Guard acceptance.

\* - these are estimated dates based on normal process times for that activity.

\* - These are estimated dates based on the expected process times for the activity.

\* - These are estimated dates based on the expected process times for the activity. Most Shipyards have staffing and supply issues that could effect durations.

### Definition of Acronyms:

RFP – Request for Proposals

PDR – Preliminary Design Report

PS&E – Plans, Specifications and Estimate

FTA – Federal Transit Administration

DBE – Disadvantaged Business Enterprise



# Down Bay Ferry Project

## Risk Register

**Last Updated:** January 16, 2026 **Updated By:** Ben Dinsmore **Current Phase:** Preliminary Design

### Risk Scoring Guide

Probability Scale	Impact Scale
1 = Rare (<10% likelihood)	1 = Negligible (<\$25K or <2 weeks delay)
2 = Unlikely (10-30% likelihood)	2 = Minor (\$25-100K or 2-4 weeks delay)
3 = Possible (30-50% likelihood)	3 = Moderate (\$100-500K or 1-3 months delay)
4 = Likely (50-70% likelihood)	4 = Major (\$500K-1M or 3-6 months delay)
5 = Almost Certain (>70% likelihood)	5 = Severe (>\$1M or >6 months delay)

Low (1-4)	Medium (5-9)	High (10-16)	Critical (17-25)
-----------	--------------	--------------	------------------

### Technical Risks

ID	Risk Description	Mitigation Strategy	P	I	Score	Status / Notes	Owner
T-1	Propulsion system selection does not meet operational requirements	Thorough evaluation in PDR; Vessel Advisory Committee input; reference similar vessels in service	2	4	8	Under evaluation in PDR	BHG / GM
T-2	USCG Subchapter K certification issues delay project	Early engagement with USCG MSC; design to proven standards; BHG experience with Subchapter K vessels	2	3	6	Monitoring; confirm pathway in PDR	BHG
T-3	Terminal compatibility issues require modifications	Include terminal constraints in design requirements; survey existing infrastructure; coordinate with Portland facilities	2	3	6	Addressed in PDR scope	GM / BHG
T-4	ADA accessibility requirements not fully met	Early ADA compliance review; community input on accessibility needs; design review against current standards	1	3	3	Standard design practice; low concern	BHG

### Financial Risks

ID	Risk Description	Mitigation Strategy	P	I	Score	Status / Notes	Owner
F-1	Construction bids exceed available funding	Realistic cost estimates in PDR; market analysis of shipyard capacity; identify contingency funding sources early	3	4	12	Active; PDR to establish baseline estimate	GM

F-2	Material cost escalation (steel, engines, electrical)	Include escalation contingency in estimates; monitor commodity pricing; consider early procurement of long-lead items	4	3	12	Ongoing market volatility; monitoring	GM / BHG
F-3	FTA grant compliance issues (DBE, Buy America)	Early coordination with FTA; incorporate requirements into bid documents; verify shipyard compliance capability	2	4	8	Prior DBE goal issue resolved; lessons learned applied	GM
F-4	Construction funding not secured in time	Begin funding strategy development during final design; identify federal, state, and local sources; maintain relationships with funding agencies	3	5	15	Future phase; planning to begin after Checkpoint 1	GM / Board

## Schedule Risks

ID	Risk Description	Mitigation Strategy	P	I	Score	Status / Notes	Owner
S-1	Limited shipyard availability extends timeline	Early market outreach to shipyards; flexible bid timing; consider broader geographic search for qualified yards	4	3	12	Industry-wide capacity constraints noted	GM
S-2	Long-lead material delays (engines, electrical systems)	Identify long-lead items in final design; consider owner-furnished equipment; build schedule float	3	3	9	To be addressed in final design phase	BHG / GM
S-3	Shipyard labor shortages extend construction duration	Realistic construction timeline in contract; liquidated damages provisions; evaluate shipyard workforce stability during bid evaluation	4	3	12	Industry-wide issue; timeline reflects 2+ year build	GM

## Stakeholder Risks

ID	Risk Description	Mitigation Strategy	P	I	Score	Status / Notes	Owner
ST-1	Community concerns about vessel design or service changes	Vessel Advisory Committee engagement; transparent communication through design process; public input opportunities	2	2	4	VAC process active; design consensus emerging	GM / Board
ST-2	Crew training requirements delay vessel entry into service	Early identification of training needs; coordinate with operations department; build training	2	2	4	Timeline includes 2-month commissioning period	GM

		time into commissioning schedule					
ST-3	FTA grant administration issues or funding changes	Maintain regular FTA communication; ensure compliance documentation; monitor federal policy changes	2	4	8	Grant ME-2023-034 active; design funding secured	GM

## Risk Summary

Risk Level	Count	Prior	Trend
Critical (17-25)	0	—	—
High (10-16)	5	—	—
Medium (5-9)	6	—	—
Low (1-4)	3	—	—

**Notes:** P = Probability, I = Impact, Score = P × I. Update Prior and Trend columns monthly.