

Request for Tender Process:

**Delivered Firewood Logs
available for purchase**

RFT(FW) 2019_2

VicForests is seeking to sell delivered firewood logs arising from its harvesting operations in north east Victoria during the 2018/19 season. VicForests is conducting this Request for Tender process (**RFT Process**) for this resource as described in this document.

This RFT Process is an open process. Potential bidders should note that the successful Tenderer/s will have appropriate safety management systems for unloading log trucks and have satisfactory financial credentials or able to pay in advance.

VicForests reserves the right to be exercised in its sole and absolute discretion, not to make any offers or allocations in accordance with this RFT Process and to cancel, postpone, amend or vary this RFT Process at any time.

VicForests invites parties who meet the mandatory requirements to submit a tender to secure all or part of the available resource.

A. RFT Process Timetable

The proposed Timetable is as follows:

Stage	Time / Date
Release of Request for Tender [RFT(FW) 2019_2]	25 February 2019
** Closing date and time for submitting a Tender (Closing Time)	3 pm, 13 March 2019
Evaluation of Tenders	22 March 2019
Award & Execution of Agreements	Late March 2019
Supply commencement	April 2019

B. Firewood Log Resource Description and Contract Tenure

The timber resource available for tender is **green (not dry)** firewood logs of various species. The available resource is parcelled into 2 Lots as described in the following Table:

Lot No.	Supply FMA	Quantity (tonnes)	Typical species
1	Central, Benalla-Mansfield, North-East	Up to* 1000	Mixed species (predominantly messmate, stringybarks, gums). Does not include ash species, red species or durable species.
2	Central, Benalla-Mansfield, North-East	Up to* 1000	Ash species (mountain ash &/or alpine ash &/or shining gum). Does not include red species or durable species.

* "Up to" means that the quantity is subject to availability. VicForests intends to award Agreements for an "up to" quantity with a fixed minimum quantity that is subject to Take or Pay (refer Part C below).

The logs will be prepared by VicForests' harvesting contractors in accordance with VicForests' Codes of Procedure available on VicForests' website: <http://www.vicforests.com.au/customer-information>. VicForests' Code of Procedure for Log Buyers: Log specifications defines species codes and sets out the firewood log specification.

Species will be typical of the species present on coupes on VicForests' current harvesting schedules. VicForests will not commit to supplying preferred species. Bids may be submitted for part of a Lot, but VicForests does not intend to commit to preferential supply by species or other criteria. VicForests does not anticipate awarding contracts for less than 400 tonnes.

Forest Management Areas are shown in Schedule 4 of the Timber Sale Agreement (see section B below).

Tenure offered is for the period commencing from contract execution to 30 June 2019.

The logs offered through this RFT Process will be supplied as a delivered sale. Successful Tenderers must have a site, facilities and safety system for unloading logs that meet VicForests' safety requirements (Mandatory Requirement). VicForests will conduct a site inspection of any new sites prior to award of a contract to a new Buyer.

Logs will be accounted for by weight using certified weighbridge where available, otherwise by truck scales. VicForests' Code of Procedure for Firewood Log Buyers, available at <http://www.vicforests.com.au/sales-supply/customer-information>, details the delivery, receipt and accounting for firewood log timber.

C. Timber Sale Agreement

The applicable terms and conditions of sale are those of the Timber Sale Agreement [MDS version] (TSA). Tenderers should familiarise themselves with this Timber Sale Agreement which is released simultaneously with this document.

Agreements will be awarded for a defined minimum contract quantity with an "up to" amount. The minimum quantity will be set at 80% of the "up to" quantity, unless otherwise agreed. For the avoidance of doubt, the Timber Sale Agreement Take or Pay provisions apply to 90% of the Annual Supply Level which is equal to the fixed minimum quantity. For example, a Tender for 800 tonnes will be awarded as "*minimum of 640 tonnes and up to 800 tonnes*". Take or Pay would apply to 90% of 640 tonnes, being 576 tonnes ie if you take less than 576 tonnes, VicForests may invoice you for the difference between 576 tonnes and the amount taken.

Potential new Buyers should expect to provide security in the form of Payment in Advance before Timber supply commences, in instalment amounts to be agreed. For example, where a Tenderer proposes to purchase 1000 tonnes, the instalment amount may be calculated across 4 instalments as follows: Instalment Amount = 1000 divided by 4 times price (GST inclusive). On receipt of cleared funds equal to the instalment amount in VicForests bank account, VicForests will deliver 250 tonnes (1000/4 tonnes).

D. Timber Processing

Victorian Government policy supports the processing of timber sourced from its native forests within Australia. Successful Tenderers will be required to complete the Timber Processing Compliance Certificate included at Schedule 5 of the Timber Sale Agreement.

Timber Processing is defined as a series of operations performed on round logs to make or create a secondary timber product, including but not limited to any of the following: sawing of four sides, peeling, slicing, splitting, chipping, grinding or chemical pressure treatment. Firewood cut to length from firewood logs is considered a secondary timber product.

E. RFT Process & Evaluation

The following steps will apply to this RFT Process:

1. Tenders are invited by VicForests as set out in this notice. To submit a Tender, potential Tenderers must complete and return the **Tender Submission Form** attached to this notice by the **Closing Time** to : vfs.sales@vicforests.com.au. A Microsoft Word version of the Tender Submission Form is available on our website.
2. In conducting the evaluation of Tenders, VicForests will:
 - (i) confirm the bona fides of the Tenderers, including declarations of Confidentiality and Conflict of Interest;
 - (ii) calculate the harvest and haulage costs for the delivery sites nominated by the Tenderers to determine the residual stumpage value to VicForests of each Tender submission based on the most cost efficient allocation of the available resource from the planned coupes relative to potential Delivery Sites;
 - (iii) assess the combination of eligible Tenders that provide the best value to VicForests;
 - (iv) evaluate whether Tenderers' delivery and unloading arrangements satisfy VicForests' safety requirements. Tenderers unable to satisfy VicForests' safety requirements will be deemed ineligible. In addition, Tenderers who do not normally have equipment and personnel on site during VicForests' delivery hours to unload VicForests' trucks will need to demonstrate how deliveries will be received so as to avoid disruption to VicForests' haulage contractors.
3. Provisionally successful Tenderers will receive an offer subject to VicForests' requirements in relation to (but not restricted exclusively to) credit risk and security, and safety being satisfied at VicForests' sole and absolute discretion.

F. RFT Process Conditions

The following RFT Process rules will apply:

- The RFT Submission Form allows a Tenderer to nominate a minimum and preferred quantity (tonnes) for a given Delivered Price. A Tenderer may submit up to 3 Tender Submission Forms with different quantity (tonnes) and price combinations;
- Existing Buyers will not be permitted to substitute an allocation through this process for an existing allocation;
- VicForests reserves the right to negotiate with one or more Tenderer/s particularly in relation to the quantity to be supplied. Tenderers should be aware that there is no automatic right to be invited into a negotiation. The negotiation process is to assist VicForests in evaluating Tenders with a view to enhancing value especially by optimising the allocation of resource.
- VicForests may award the available resource to any number of Tenderers in quantities that provide the best value to VicForests;
- If a VicForests' harvest and/or haulage contractor submits a Tender in this RFT Process, the contractor must outline in his Tender whether he is seeking resource from his own operations only or from a combination of his own operations and operations of other contractors. Contractors should provide details and assumptions relevant to their Tender at Question 2 of the Tender Submission Form.
- Tenders must be submitted by email. Paper-based Tenders will not be accepted. The Tenderer must have an email address that can be used for regular communication and invoicing.

G. Enquiries

If required, updates and clarifying material will be posted to VicForests' website: <http://www.vicforests.com.au/sales-supply/firewood>, prior to the Closing Time.

Any questions regarding this RFT Process should be forwarded to vfs.sales@vicforests.com.au (**preferred**) or to Margaret McCarthy on (03) 9608 9500. Potential Tenderers who telephone with their queries may be asked to submit their queries in writing via email.

TENDER SUBMISSION FORM

RFT(FW) 2019_2

REQUEST FOR TENDER FOR PURCHASE OF FIREWOOD LOGS

Entity name (eg Company, sole trader, partnership name):			
Is the entity linked to a Trust? If so, please state the name of the Trust			
ACN:		ABN:	

Log Delivery site address:			
Is there an actual or perceived Conflict of Interest associated with the Entity's participation in this RFT Process? YES / NO. If YES, please describe:			
Should any actual or perceived Conflict of Interest arise after submission of this Form, the Entity must provide all relevant details to VicForests.			

The above Entity hereby submits this Tender Submission Form in response to the release of **RFT(FW) 2019_2**. In submitting this Form, I confirm that:

- a. all information contained herein is true and correct; and
- b. I am authorised and have full and lawful authority to sign and submit this Form on behalf of the Entity named above; and

- c. neither the Entity nor I as an authorised officer nor any of the Entity's officers, employees or agents has any Conflict of Interest relevant to this RFT Process other than as set out above*; and
- d. the Entity, I as an authorised officer and the Entity's officers, employees or agents will maintain the information contained in this RFT Tender as confidential; and
- e. this submission constitutes a binding offer which VicForests may, in its sole and absolute discretion, elect to accept at any time from the RFT Closing Time for a period of up to 60 days thereafter.

Signature of authorised officer:	
Name:	
Title:	
Date:	
Email address:	
Telephone number:	

This Tender Submission Form (pages 6 to 9) must be returned to VicForests by the Closing Time by email to the following email address: vfs.sales@vicforests.com.au

Question 1. Delivery Arrangements

1.1 Please describe the site and equipment you have for safe unloading of log trucks. Include an outline of a relevant Safety Management System (SMS) you may have and details of any audits of that SMS :

1.2 Please outline any delivery site constraints eg B double constraints; wet weather constraints; route constraints :

Question 2. Special Considerations

Please outline any special considerations relevant to the purchase and delivery of firewood logs through this RFT Process:

For example *(i) firewood will be processed via an XYZ firewood processor that can process timber up to 50 cm diameter; or*

(ii) our business supports the work of the local Lions club by donating 50 tonne firewood annually.

Question 3.

How many Tenders are you submitting?	This is Tender number of
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Tenderers may submit up to 3 Tenders for different quantity and price combinations. If you want to submit more than one Tender, Questions 3 to 5 must be completed again for the second and third Tenders.

Question 4.

What is the **total** preferred quantity you wish to purchase for the period to 30 June 2019?

Total preferred quantity? Green Metric Tonnes
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Question 5.

What is the minimum and preferred quantity you are seeking to purchase through this RFT Process (for supply during the period from contract execution to June 2019) and your price offer (**GST exclusive**)?

The Delivered Price Offer will be evaluated based on your nominated Delivery site.

Product	Supply FMA	Available Quantity	Minimum* quantity	Preferred quantity	Delivered Price Offer (\$/tonne excluding GST)
		(tonnes)			
Mixed species Firewood logs. (Product code MS G)	Benalla-Mansfield, Central, North East	Up to 1000			
Ash species Firewood logs. (Product code AS G)	Benalla-Mansfield, Central, North East	Up to 1000			

*VicForests does not intend to award contracts for less than 400 tonnes.