Request for Proposals

(Timber Harvest) Cypress Hills Interprovincial Park

1. Introduction

Saskatchewan Environment (SE) is seeking proposals from companies or individuals to harvest Crown timber from Cypress Hills Interprovincial Park (CHIP) (shown in Appendix A).

This request for proposals (RFP) is not a call for tenders. No contractual rights or obligations are created between the proponent and SE by this RFP, any response to the RFP, or subsequent discussions or negotiations.

The purpose of this RFP is to identify who is interested and capable of harvesting and marketing Crown timber from designated harvest blocks in CHIP in an efficient, timely and operationally acceptable manner.

It is the intention of SE to select one or more proponents to harvest timber from CHIP pursuant to this RFP process.

A mandatory viewing of the 2005-2006 harvest blocks will be required of the proponents in order to submit an eligible RFP.

Submit Proposals To: Saskatchewan Environment

Resource Stewardship Branch

Box 5000

350 - Cheadle Street West, SWIFT CURRENT, SK

S9H 4G3

Attention: Kelvin Kelly

By 3:00pm CST on September 19, 2005.

SE reserves the right to reject any or all proposals received.

All eligible proposals submitted will be evaluated. Following evaluation of proposals, SE's intent is to enter into negotiations with the successful proponent pursuant to this RFP process leading to the development of a more detailed operating plan.

SE reserves the right to contact any or all proponents during the evaluation and to utilize any resources it deems necessary to complete the evaluations.

Any questions relating to the RFP must be received at least three days prior to the specified closing date. Questions must be made in writing to the above address or e-mailed to kkelly2@serm.gov.sk.ca.

2. Background Information

CHIP is distinguished by the dominance of lodgepole pine across its landscape, and is the only area in Saskatchewan where this tree species is located naturally. The presence of this species allows the potential opportunity for a diverse range of forest products, including power poles, pilings, building logs, dimensional lumber, fence posts, rails and firewood.

A Saskatchewan Environment planning team was appointed in 2003-2004 to work jointly with the park advisory committee to develop a Forest and Fire Management Plan (FFMP) for the Centre Block of Cypress Hills Interprovincial Park (CHIP). A second department planning team was appointed in 2004-2005 to do the same for the West Block of CHIP. These FFMPs were initiated to maintain long-term forest health within CHIP and provide the basis for utilizing forest harvesting to achieve plan objectives to change the mature age class distribution, to change fuel types and to achieve healthy renewal areas.

The 2005-2006 harvest blocks in this RFP have predominantly 100 to 120 year old lodgepole pine forest growing on dark brown to brown chernozem soils with exposed cobblestone. The estimated volume of the combined 2005-2006 harvest blocks is approximately 13,000 m³. This volume results from four (4) harvest blocks in the Centre Block and six (6) harvest blocks in the West Block as illustrated by the maps in Appendix A. Appendix D provides details on the harvest blocks in terms of size, volume estimates, forest products estimates, stand dynamics, slope and access.

SE does not guarantee volume/quality of the timber or the accuracy of the block boundaries. Proponents will be required to attend a mandatory viewing before submitting proposals.

3. Wood Products Branding

This lodgepole pine forest is one of a kind for Saskatchewan. The current market brand, "Where the Pines touch the Prairie sky" developed by the Cypress Hills Interprovincial Park Management Committee, highlights the uniqueness and isolation of this forest ecosystem in southern Saskatchewan.

SE feels that forest products from this unique forest, available from ecologically sound forest management plans, have value traits that appeal to high-potential markets and customers. SE is interested in working with companies or individuals who will build awareness of the unique traits of Cypress Hills wood species and the range of wood products available.

4. Crown Dues and Forest Management Fees

Proponents will be required to pay all applicable Crown Dues and Forest Management Fees. Appendix B outlines the prescribed Crown Dues and Forest Management Fees for the Province of Saskatchewan based on The *Forest Resource Management Regulations*. Crown Dues are calculated quarterly for all Class S1 (all softwood greater than or equal to 14 cm in diameter). Appendix B illustrates the S1 Class Crown Dues for the past 10 quarters so that interested proponents can gauge the trend for budgeting purposes.

5. Bonus Bid Crown Dues

As per Section 25 of the *Forest Resources Management Act*, a bonus bid is invited for Crown Dues and shall be submitted in the RFP as a dollar value per cubic metre.

6. General Conditions and Requirements

- 6.1. The harvest blocks described in the RFP are the only source of timber that will be allocated by SE under this RFP.
- 6.2. A timber harvest operating plan and scaling plan must be submitted by the successful proponent(s) for approval by SE prior to SE issuing a Forest Products Permit to proceed with harvesting.
- 6.3. The licensee will use only existing roads and designated trails.
- 6.4. Limbs and tops must be evenly spread throughout the timber harvest area to enable post-logging treatment with anchor chains to promote natural pine regeneration.
- 6.5. Timber is to be skidded or hauled only under frozen ground conditions. SE will determine when ground conditions are acceptable for skidding and hauling.
- 6.6. Scaling will be done at the landings. It is the licensee's responsibility and expense to have the scaling done by approved Saskatchewan licensed scalers holding a current license and appropriate endorsements.
- 6.7. Forest products with bark on, due to the concern of transporting Mountain Pine Beetles, can only be transported locally within a 30-mile radius from point of origin to a processing facility. Transportation of forest products beyond this distance will require that the bark be removed for transport.
- 6.8. Bark removal and disposal will not be permitted within CHIP. Appendix E outlines the general conditions of a Forest Product Processing Facility Licence on private land.
- 6.9. The licensee will be required to present to the Minister proof of public liability, passenger and property damage insurance in the amount of one million dollars (\$1,000,000.) before work commences. The licensee must be registered and be in good standing with the Worker's Compensation Board.
- 6.10. Appendix C outlines other specific Forest Harvesting Conditions for Cypress Hill Interprovincial Park.

7. Proposal Outline

The descriptions for each of the following headings are to be used to respond to the RFP. The information is required by SE to make an assessment of all proposals.

7.1. Executive Summary

A brief summary of objectives, strategy, and time frames.

7.2. Company Profile

Describe company ownership, history, basic summary of products or services, office locations and contact names and numbers, additional facilities, length of time in business, other companies with which the proponent was involved.

7.3. Logging History

Describe previous timber harvesting experience, including products and volumes in cubic meters harvested in specific areas.

7.4. Harvesting and Processing Equipment

Outline the types of equipment that will be using to harvest, skid, de-limb and haul the timber. Describe the processing facility and the types of forest products produced.

7.5. Project Description

Provide a general description of the proposed timber harvest project. Be clear in listing the harvest blocks of interest in the project description. Provide a time frame for the implementation of the proposal keeping in mind that operations will not start until after SE staff verifies frozen ground conditions. Describe the proponent's marketing capabilities for the estimated timber volume to be harvested from the harvest blocks. Provide information proposing the transportation of forest products that is appropriate to the harvest project.

7.6. Bonus Bid

Provide a bonus bid amount per cubic metre for Crown Dues. The bonus bid amount shall be identified by harvest block. The bonus bid is above the prescribed Crown dues as described in section 4 of this RFP.

7.7. Branding

Describe how the project will build awareness of the unique traits of CHIP wood products to appeal to high-potential markets and customers.

8. Proposal Evaluation Specifics and Criteria

SE will review all eligible proposals submitted. Companies or individuals are required to demonstrate that they are experienced and equipped to undertake the project. The basis for the decision is the criteria indicated in this document, with emphasis on the maximization of economic benefits for Saskatchewan.

- 8.1. The selection of a successful proposal will reflect:
 - 8.1.1. The best overall revenue returns to the Province as the owner of the timber resource; and
 - 8.1.2. the most positive overall economic, social and environmental benefits.

8.2. Criteria Used for Evaluating Proposals

In addition to the information provided relative to the general proposal outline in Section 7 of this RFP, the following criteria will be evaluated:

- 8.2.1. Branding and marketing
- 8.2.2. Timber utilization
- 8.2.3. Reputable history of forestry operations (provide references and SE reserves the right to contact the references)
- 8.2.4. Technical ability to coordinate and manage timber-harvesting operations under the conditions and requirements in this RFP.
- 8.2.5. The type of harvesting equipment and experience of the operators.
- 8.2.6. Financial capability of proponent to harvest the estimated timber from the harvest blocks in a timely and environmentally efficient manner.

9. Mandatory Viewing

Viewing of the 2005-2006 harvest blocks is *mandatory* in order to submit a RFP. Transportation for the viewing is the responsibility of the proponents.

<u>Centre Block viewing</u>: will be held on August 24th at 1:00pm, commencing at the CHIP Saskatchewan Environment park office in the Centre Block.

<u>West Block viewing</u>: will be held on August 25th at 9:00am, commencing at the West Block Ranger Station.

The project details will be reviewed before the field viewing. Please contact Kelvin Kelly, park management specialist @ (306) 778-8496 to register for the viewing.

Inclement weather may force alternate viewing dates.

For more information on this RFP, please contact:

General Information: Kelvin Kelly

Park Management Specialist

Ph: (306) 778-8496 Fax: (306) 778-8212

For the Centre Block: Rick Goett

Park Program Coordinator

Ph: (306) 662-5416 Fax:(306) 662-5482

For the West Block: Kevin Redden

Senior Conservation Officer

Ph: (306) 662-5489 Fax:((306) 662-5493

Appendix A

Map of 2005-2006 Harvest Blocks Cypress Hills Interprovincial Park (not available on website; will be available at the mandatory viewing.)

Appendix B

Province of Saskatchewan
Crown Dues and Forest Management Fees
&
Quarterly Trend for S1 Class

Crown Dues and Forest Management Fees for CHIP (See Section 4 of the RFP)

Product Class	Crown Dues/m³	Crown Dues/m³	Crown Dues/m³		Forest Management Fees/m³ Park Crown Land (PK) 22/02/05
S1 - Softwood greater than or equal to 14 cm in diameter . Crown dues posted by E-mail the Monday prior to the beginning of the quarter	Quarter: 2005-06 1 st Apr/05 \$7.46 2 nd Jul/05 \$6.01 3 rd Oct/05 4 th Jan/06	Quarter: 2004-05 1st Apr/04 \$6.12 2nd Jul/04 \$9.50 3rd Oct/04 \$9.86 4th Jan/05 \$4.60	Quarter: 2003-04 1st Apr/03 \$2.36 2nd Jul/03 \$2.74 3rd Oct/03 \$5.12 4th Jan/04 \$3.28		\$5.20
S2 - Softwood less than 14 cm in diameter	\$.75				\$5.20
H1 - For all ash, birch, elm and maple greater than or equal to 14 cm in diameter.	\$6.00				\$.50
H2 - For all ash, birch, elm and maple less than 14 cm in diameter.	\$.75				\$.50
H3 - For all hardwood except ash, birch, elm and maple greater than or equal to 22 cm in diameter	\$1.00				\$.50
H4 - For all hardwood except ash, birch, elm and maple less than 22 cm in diameter	\$.50				\$.50
		bs black spruce ta trem jp jackpine we white bf balsam fir wb white	Salvage Type am poplar bling aspen e elm birch b	GR FK OS IN DS FL	Land Type Provincial Forest PF Vacant Crown Land VC Agricultural Lease AL Provincial Park PK Disposition Own use U Sale S

Appendix C

Forest Harvesting Conditions Cypress Hills Interprovincial Park

FOREST HARVESTING CONDITIONS CYPRESS HILLS INTERPROVINCIAL PARK

Prescription:

- ➤ The licensee will harvest timber in accordance with the Operating Plan approved by SE and the attached conditions:
- The licensee will leave the seed source in the forest harvest areas by limbing and topping at the stump or distributing the limbs evenly throughout the harvest area;
- > The licensee will evenly distribute and flatten the resulting slash over the entire harvested areas. Forest harvest areas will be identified and delineated by SE staff;
- The licensee will skid, and deck <u>all</u> tree length material from designated forest renewal areas with the exception of retention patches as identified by SE staff;
- Merchantable and culled wood will be decked separately at the loading area.
- Merchantable timber will be scaled and hauled to the licensee's processing facility unless otherwise directed by the scaling plan.
- > Culled timber will not be scaled and will remain decked at the loading area for park firewood processing.
- Avoid any damage or removal of small or regenerating White Spruce or Lodge pole Pine in the renewal areas;
- ➤ Due to a concern of transporting Mountain Pine Beetles, tree length material with bark on can only be transported locally within a 30-mile radius from point of origin to a processing facility. Transport of tree length material beyond this distance will require the logs to be "De-Barked!"

Harvesting Conditions:

- ➤ Hand-felled or mechanical harvester;
- No timber shall be removed from the landing within 48 hours of being scaled or otherwise indicated on the Forest Product Permit;
- Timber is to be skidded or hauled only during freeze-up or as directed by the Minister;
- > Timber to be hauled on weekdays only or as directed by the Minister to protect public use of the park;
- No forest operations as defined by the *Forest Resource Management Regulations* will occur during December 23-27 or December 30 January 2;
- All Forest Resource Management Act and Regulations apply as well as the following site specific conditions to be monitored by the on-site SE official on behalf of the Minister;
- ➤ Harvesting will occur only within the delineated plot and corridor boundaries as marked by orange flagging or orange paint. Flagged or painted trees are considered to be outside the plot;
- ➤ Limbing, topping, scaling and removal is the responsibility of the licensee and will be directed by SE staff on behalf of the Minister;
- > Trees to be utilized to 10 cm tops;
- > If necessary, long-butting at two (2) foot intervals to check rot is to be done on the designated landings and the resulting waste product shall be removed by the firewood contractor for park firewood;
- Any dead standing timber will be felled and skidded to the loading area and culled out in a separate pile for use as park firewood;
- > Stump height shall not exceed six (6) inches; shorter is preferred in order to access the area for future scarification or planting;
- The licensee is responsible for removing litter from the work site;
- Any liquid discharge or spills from the equipment must be cleaned up by the licensee to the satisfaction of the Minister;
- Any damage to or removal of existing fence lines will be the licensee's responsibility to repair or replace;
- > The inspecting officer on Forest Operation Inspection Forms will monitor harvesting progress with a copy given to the licensee. All instructions indicated on the form must be followed;
- > The inspecting officer may halt operations due to non-compliance of the above or due to unfavorable weather conditions;
- > SE will define access roads to and from the area of work. Road access, in terms of snow clearing, is the responsibility of the licensee;
- Any standing timber in the allocation not cut by the licensee by March 31, 2006, remains the property of the Crown and shall remain unharvested;

- Any damage to park property shall be repaired at the licensee's expense.
- ➤ The harvested volume must not exceed the authorized harvest volume. An over harvest of forest products is subject to an administrative penalty.

Safety Equipment:

The licensee will have the following safety equipment in use on site while doing the work:

- Approved hard hats complete with face shields or protective eye wear;
- ➤ Hearing protection;
- > Steel-toed footwear;
- Chainsaw pants for fellers;
- > Cell phone and/or satellite phone;
- First-aid kit;
- ➤ Fire extinguisher;

Scaling:

The licensee is required to prepare a scaling plan in collaboration with SE, detailing how the wood will be scaled. This plan must be approved by SE and attached to the Forest Product Permit before any harvest operations start.

The licensee will deck the timber in tree length at the loading areas with all butt ends accessible to scale. All timber must be scaled in accordance with the Forest Resource Management Act and Regulations. Scaling shall be carried out at the licensee's expense by approved Saskatchewan licensed scalers holding a current license and appropriate endorsements. Copies of the SC01 Scaling Report must be submitted as described in the Saskatchewan Scaling Manual.

Processing:

The licensee must have a "valid" Sawmill License to process Crown timber. This license is available at field area Offices of Saskatchewan Environment.

Transporting Timber:

Anyone transporting timber from the park under license to a facility or other location must properly complete and have in his or her possession a Forest Products Shipping and Receiving Report! These Reports are available from a Saskatchewan Environment Office. The blue copy of all completed reports must be returned to the inspecting officer within 30 days of the report being completed.

Note: All forest products shall be removed within 90 days of harvest unless authorized by an inspecting officer.

Note: Any pine material with bark on can only be transported locally within a 30-mile radius from point of origin to a processing facility. Transport of pine material beyond this distance will require the logs to be "De-Barked!"

Payment of Crown Dues and Management Fees:

The licensee will pay Saskatchewan Environment, (SE), all dues and fees resulting from scaling unless the Minister has waived the dues on the Forest Product Permit. This payment is due on the date indicated and approved in the payment schedule of the scaling plan.

Insurance:

The licensee will be required to present to the Minister proof of public liability and property damage insurance before work commences. The contractor must also be registered and in good standing with the Workers' Compensation Board.

- ➤ These conditions will be attached to the Forest Product Permit and will be part of the package available to contractors as "Request For Proposals" or "Expression of Interest" to conduct forest harvest activities in the park.
- Licensee must supply a GST registration number at the time the Forest Product Permit is issued if GST is to be exempt from dues and fees.

Appendix D

2005-2006 Harvest Blocks Summary for the Centre and West Block
Of
Cypress Hills Interprovincial Park

Forest Harvest Allocation 2005-06 Cypress Hills Interprovincial Park

"Centre Block"

Harvest	Size	Species	Approx	FBM/Blk	M3/Blk	Forest	Regen	Topography	Slope	Access	Stand	Comments
Block	(ha.)		Trees/Blk	(Estimate)	(Estimate)	Product %					Dynamics	
CB – 1	5	IP	2500	225,000	957	PP/BL=25% P=55% ST=20%	L=wS	Gentle slope to East	0 – 8%	From Lodgepole Pine Campground and hiking trail	S20C IP	Thinning block to "A" density with a clear cut along Whispering Pine Hiking Trail
CB – 2	2.5	lP	2000	150,000	638	PP/BL=10% P=30% ST=30% FP=15% FW/R=15%	L = wS	Gentle slope to N/NW	0 – 5%	From fireguard along fenceline or open aspen	S20C IP	Easy access to improve fireguard
CB – 3	1.5	lP		66,000	280	P=20% ST=35% FP=25% FW=20%	L = 1P	Gentle slope	0 – 5%	From fireguard and hiking trail	S20C IP	Easy access. Remove residual timber from old strip cuts
CB – 4	3	1P	2100	195,000	830	PP/BL-20% P=40% ST=40%	L-M = wS	Mostly flat	0 – 2%	From Bald Butte Road 200 m into stand	S20B/C IP	Two year harvesting area. Pockets of large timber
Totals	12	•		636,000	2,705							

Regeneration:

None - N Light - L Moderate - M Heavy - H **Forest Products:**

Power Poles - PP Building Logs - BL Pilings - P Fence Posts - FP Firewood - FW Rails - R Saw Timber- ST Species: Lodgepole Pine (IP)
White Spruce (wS)
Trembling Aspen (tA)

Harvest Block: Centre Block - CB

Forest Harvest Allocation 2005-06 Cypress Hills Interprovincial Park

"West Block"

Woot Blook												
Harvest Block	Size (ha)	Species	Approx Trees/Blk	FBM/Blk (Estimate)	M3/Blk (Estimate)	Forest Product %	Regen	Topography	Slope	Access	Stand Dynami c	Comments
WB-B ₁	1	wS	250	82,000	350	BL/PP=70 % P/ST=30%	L-M (wS)	Sloping from S to N	0-5%	From Four Mile Road or Udahl Road	S25C wS	Stand of large wS with good access
WB-B ₂	4	lP-wS	3200	270,000	1150	BL/PP=15% P=15% ST=60% FP=10%	L-M(wS/tA)	Slopes to NE	5-18%	From Four Mile Road & existing logging trail	SH2OC wS/IP/tA	Mixed wood stand with good access. (13 ha. remain in block)
WB-I	10	lP-wS	8000	625,000	2660	BL=25% P=50% ST=20% FP=5%	L-(wS)	Sloping to N from Gordon Point Road	0-8%	Gordon Point Road down to Old Meir Sawmill	S2OC IP/wS S25B IP/wS	Harvest larger wS along Gordon Road & IP from residual strip cuts. (20 ha. remain)
WB-L	9	lP-wS	8000	520,000	2200	PP=15% P=45% ST=30% FP=10%	L-(wS)	Slopes from upper meadow to the NW	5-10%	Existing Haul Road	S20C IP	Landings can be established along Haul Road, old cutover & Eastern stand perimeter.(6 ha. remain)
WB-O	6	lP-wS	5000	400,000	1700	PP=5% P=40% ST=30% FP=20% R=5%	N-L	Very gentle slope from W to SE	0-5%	Existing main road with landing access	S20C IP SH25B wS/tA	This block is between two cutovers on a main haul road. (12 ha. remain)
WB-V ₁	10	IP-wS	8000	625,000	2660	BL=25% P=35% ST=30% FP=10%	L-(wS)	Trail follows drainage bottom with gentle sloping sides	Up to 8% sloping west	Existing Haul Trail with landing	S20CIP S25B IP/wS	This block is an extention to a 1980s harvest area
Totals 6	40			2.5 million	10,720							
	•			•	•	•						

Regeneration:

None - N Light - L Moderate - M Heavy - H **Forest Products:**

Power Poles - PP
Building Logs - BL
Pilings - P
Fence Posts - FP
Firewood - FW
Rails - R
Saw Timber - ST

Species: Lodgepole Pine (IP)
White Spruce (wS)
Trembling Aspen (tA)

Harvest Block: West Block - WB

Appendix E

General Conditions of a Forest Product Processing Facility
Licence

General Conditions of a Forest Product Processing Facility Licence on **PRIVATE LAND**

Under *The Forest Resources Management Regulations* (Sec. 12 Processing Facility License Terms) information pertaining to processing facilities is required prior to approval of a licence. The following outlines general conditions expected by Saskatchewan Environment for processing facility licencing. As well, there are other environmental and waste management requirements from other legislation such as: *The Environmental Management and Protection Act*, *The Clean Air Act* and *The Hazardous Substances and Waste Dangerous Goods Regulations* that must be adhered to. All other Provincial Government Acts and Regulations and the legislation of other levels of government must be adhered to as well.

- A licence is required for the processing of forest products from Crown land (*Forest Product Processing Facility Licence* of \$50.00 payable in advance of any processing).
- Licenced facilities may be required to establish financial assurance (e.g. performance bond, irrevocable letter of credit) in order to ensure decommissioning and reclamation is complete.
- All Forest Resources Management Act and Regulations will apply.
- Processing facility should not be within 300 meters from any water body.
- The Licencee must maintain processing facility records (e.g., Monthly Wood Flow Record Sheets) and be able to produce these records upon request from the Inspecting officer (sec. 40 & 72 FRM Regs.).
- Slash and debris is not to be piled within 5 m of standing Crown land timber.
- Slash (or any other material) shall not be burnt within 30 meters of a sawdust pile and/or a minimum of 25 meters from standing Crown timber.
- All harvested Crown forest products must be measured/scaled to determine volume prior to processing.
- Forest Products Shipping and Receiving Reports must be properly completed for both the transportation and receiving of Crown forest products.
- The completed *Forest Products Shipping and Receiving Reports* must be submitted to the Inspecting Officer within 30 days by permittee and should be retained on file by receiver, As per instruction on cover of FPSRR books.
- Licenced facilities will be required to provide information upon request of an inspecting officer pertaining to source of forest products obtained from outside of Crown Land or the licence may be cancelled
- Non-compliance must be reported to inspecting officer within 24 hours.
- A summary of the processing facility records must be submitted to the Inspecting Officer within 60 days of the Licence expiring. This report must be received before a new licence for the same facility will be considered.
- All bark products must be destroyed or composted at mill site for at least one year.
- Wood products (slabs, firewood, etc.) with 3% or more bark attached must be stored at mill site for at least one year.
- Additional conditions as directed by the Inspecting Officer: