

Request for Proposal FD 2020/67

South Australian Forestry Corporation

Part A – RFP Overview

1 Introduction

- (a) ForestrySA (**FSA**) invites proposals for the purchase of log as detailed in this Request for Proposal (**RFP**). Logs will be from either fire effected or green standing P.radiata plantations in the Mt Lofty Ranges Region.
- (b) For information – this anticipated parcel of log has no impact to current domestic contractual requirements. Any volume Proposed for by any Proponent may be subject to a variance of no less than 20% (plus or minus) to account for variations in log inventory information. This variance will be solely at FSA’s discretion.
- (c) This RFP is comprised of the following documents:
- (i) this Part A (which sets out the Proposal opportunity and the way Proposals are to be submitted);
 - (ii) Part B (which sets out the conditions of the RFP);
 - (iii) Part C (which is a summary of FSA’s preferred terms as a basis for Contract);
 - (iv) Part D (which is the form in which Proponents are to submit their Proposals); and
 - (v) Part E (which is the form of Proponent Deed that Proponents are to complete, execute and submit at the same time as their Proposal) (**Proponent Deed**).
- (d) FSA is the sole agent in relation to the issuing and management of the process under this RFP. Accordingly, all correspondence regarding this RFP will be with FSA. Negotiations concerning any proposed Contract will be with and managed by FSA. If any Contract is to be entered into with any respondent to this RFP (**Proponent**), that Contract will be between FSA and the Proponent (**Contract**) and subject to FSA Board approval.
- (e) The Charter of the South Australian Forestry Corporation stipulates obligations for FSA, including but not limited to:
- (i) 2.1.2 Encouraging and facilitating regionally based economic activities.... by protecting the long-term viability of the corporation.... for the benefit of the people and economy of the State;
 - (ii) 4. Mechanisms that foster:
 - economic growth, investment and reinvestment in South Australia
 - development of exports and entry to overseas markets
 - research, development and commercialisation of technology
 - implementing a strong information technology base
- Consequently, responses may be received from export businesses or their agents, logistics, processing or bioenergy businesses, sawmills or any other party intending to process, on-sell or utilise the Log or its byproducts.
- (f) Objective – the objective of the RFP is to achieve the best overall Net Revenue (total revenues net of harvest, transport and other identified costs) (NR) while considering the associated safety, health, environmental and quality risks of any Proposals. The RFP will permit offers for portions of the volume offered and may require revision of a combination of proposals to derive a NR amount for the entire volume.

2 Proposal opportunity

Proponents are invited to submit Proposals in respect of the following:

Proposal Issue Date	Proposal Closing Date	Proposal Presentation /Negotiation	Proposal Award Date	Contract Signing	Commencement of Sales
21/01/2020	10/02/2020 17:00hrs	11/02/2020	14/02/2020	14/02/2020	17/02/2020

Period of Supply	Volume (tonnes)
17 February 2020 up to 30 June 2020	Up to 75,000 <i>(Indicative only)</i> <i>25,000 non-fire effected / 50,000 fire effected</i> <i>60,000 from Mt Crawford Forest / 15,000 from Second Valley Forest</i>

Log Grade breakdown (indicative only)				
AA-grade (min SED 40cm)	A-grade (min SED 30cm)	K-grade (min SED 20cm)	S & MP-grade (min SED 10cm)	Pulp-grade (min SED <10cm)
15%	15%	30%	30%	10%
11,000 GMT	11,000 GMT	23,000 GMT	23,000 GMT	7,000 GMT

Proposals for certain components of a Proposal parcel only will be considered conforming, but Proponents should note that Proposals for certain components of a Proposal parcel will be evaluated against the evaluation criteria below, including a review of Net Revenue (NR) impacts and the ability to secure the offered pricing based on other Proposals received, and overall requested volumes and subsequent impacts on FSA's operating overhead costs. For the purposes of this RFP, Net Revenue (NR) refers to the revenues generated for the benefit of FSA after taking into account the necessary costs associated with the sale of the logs. Such costs may include but are not limited to harvest, transport and handling, land-based and ocean-based logistics. From a revenue risk management perspective FSA's preferred position is to establish a log sales agreement based on a stumpage sales mechanism.

3 Key milestones and Proposal closing time

Below are indicative dates applicable to the RFP process and commencement of deliveries under any Contract(s) that may be awarded:

- | | | |
|-----|--|---|
| (a) | RFP release date: | 21 st January 2020 |
| (b) | Proposal Closing Date / Time: | 10 th February 2020 17:00hrs (5pm) CST |
| (c) | Proposal Presentations/Negotiation: | 11 th February to 13 th February 2020 |
| (d) | Proposal Award Date: | 14 th February 2020 |
| (e) | Log Contract Signing: | 14 th February 2020 |
| (f) | Commencement of sales: | 17 th February 2020 |

FSA reserves the right to change these dates.

Site inspections will not be permitted prior to the Proposal closing date. All short listed Proponents will be offered site inspections during the Proposal negotiation phase of this RFP program.

Part C - FSA Preferred Terms for Contract is provided as a summary of the complete form of Contract. FSA proposes to provide the form of Contract to any preferred Proponents after evaluation of Proposals. Any preferred Proponents will then be invited to review the proposed Contract and may be invited to negotiate prior to the identification of the organisation or organisation(s) to be recommended for the award of a contract.

4 Submission of Proposal

- (a) Proponents that want to submit a Proposal in response to this RFP are to provide to FSA by the Closing Time on the Closing Date:
 - (i) a Proposal in the form of Part D and which addresses all of the matters required under this RFP; and
 - (ii) a completed and properly executed Proponent Deed in the form in Part E.
- (b) All Proposals are to be properly signed by the Proponent, scanned and submitted by e-mail to the following e-mail address: contracts@forestrysa.com.au
- (c) **Respondent submissions via email should contain in the Subject line, a reference to RFP 2020/67.**

5 Evaluation Criteria

- (a) Proposals will be evaluated on the basis of evaluation criteria and other factors FSA may consider relevant, including:
 - (i) the best overall Net Revenue (NR) impacts while considering the risk profile of the Proposal to maximize returns for FSA;
 - (ii) a Proponent's past performance, including track record in current and past arrangements of a similar nature;

- (iii) the level of compliance with the requirements set out in this RFP and the proposed Contract; and
 - (iv) a risk and compliance assessment of the Proposal.
- (b) The evaluation criteria are not listed in any special order of priority and may not be given equal weight. Further, in the evaluation of Proposals, FSA may take into account information, opinions and advice about a Proponent that it receives from any source.
- (c) Non-conformance to evaluation criteria will not necessarily preclude a proposal from being accepted.

6 Confirmation of specific matters

- (a) Proponents are to confirm whether:
- (i) they agree to and sign the Proponent Deed (Part E);
 - (ii) they agree to take possession of and pay for the volumes of log they have Proposed for during the period of delivery Proposed for (plus or minus 20%) as the volumes become available from harvesting operations on ForestrySA's managed estate and as finally agreed under any Contract with a successful Proponent;
 - (iii) they agree to pay all amounts for logs purchased within the agreed days after the end of the delivery period in which the supply occurs;
 - (iv) in respect of Proposals they agree to provide security in the form of a cash deposit or unconditional bank guarantee for 100% of agreed parcels of log volumes offered by FSA for harvest and as defined in the Stumpage Sale or Log Supply Agreement, expiring no earlier than 10 weeks after Contract expiry date;
 - (v) they agree the total price payable for logs is not subject to any deduction or withholding, for example due to freight and insurance charges, imposts, taxes, rates and Government charges.
- (b) Proposed price(s) are to be for the initial supply period 17 February 2020 to 30 June 2020 and expected not be subject to any deduction or withholding, for example on account of freight and insurance charges, imposts, taxes, rates and Government charges that may be applicable. Pricing may be subject to reasonable annual adjustments as contained in the Contract.

7 Compliance with agreements

Proponents are to state their compliance with any existing Log Contract (if any) they have with FSA, or disclose in their Proposal the extent of any non-compliance including adherence to specified payment terms. FSA may refuse to consider Proposals from Proponents who are not in compliance with any such Log Contracts or evaluate this as part of the risk and compliance criterion.

8 Enquiries

- (a) It is the Proponent's responsibility to ensure that it understands the scope of this RFP. If the Proponent requires additional information or clarification about this RFP, it should submit an enquiry before 10th February 2020 to the designated contact person for this RFP as set out below:

Contact Person: Mr. Peter Merry at FSA email merry.peter@forestrysa.com.au. Phone +61 8 8391 8831

Between this time and the Closing Time on the Closing Date, FSA may answer any further questions to assist proponents, but provides no assurance of this.

- (b) All substantive enquiries are to be submitted to the contact person via email. Proponents may contact the contact person by phone to seek guidance on non-substantive matters. The contact person may always decline to address any enquiry by phone and, instead, require the enquiry to be submitted in writing.
- (c) FSA will use its reasonable endeavors to respond to all written inquiries submitted to the contact person. At FSA's discretion written answers to written questions may be provided to all Proponents.
- (d) FSA will not be bound by any oral information furnished or received by any of its employees, officers, agents or contractors in relation to this RFP.

PART B – RFP CONDITIONS

1 Rights in respect of RFP

1.1 Reservation of Rights

- (a) This RFP does not give rise to any Proposal process contract. Without limiting any of its other rights, FSA reserves the right, in its absolute discretion and at any time, to:
- (1) change the structure, procedures, timing or terms of participation in this RFP process, the Proposal parcels and any other component of this RFP, including by varying the provisions of this RFP;
 - (2) question any Proponent, including to invite presentations from Proponents if necessary, in order to clarify any matter relating to the Proponent's Proposal;
 - (3) terminate further participation in the RFP process by any Proponent;
 - (4) refuse entry to any particular Proponent at any time during the RFP process;

- (5) allow further parties to participate in the RFP process or bidding for the subject matter of this RFP (whether or not they have submitted a Proposal pursuant to this RFP);
 - (6) terminate, suspend or reinstate the RFP process;
 - (7) not proceed with any sale of part or all of any of the Proposal parcels or any other component of the RFP, in the manner outlined in this RFP, or at all;
 - (8) offer part or all of any of the Proposal parcels or any other component of this RFP through a procurement process other than as contemplated in this RFP;
 - (9) alter the proposed commercial structure and commercial terms outlined in this RFP;
 - (10) change and/or negotiate the terms of any proposed Contract to be entered into in connection with this RFP;
 - (11) accept a Proposal, or as relevant an alternative bid, which does not satisfy all of the Evaluation Criteria under this RFP;
 - (12) consider or accept a Proposal which is not a complete or conforming Proposal, including without limitation Proposals submitted after the Closing Time on the Closing Date;
 - (13) request and receive additional information from any Proponent;
 - (14) set aside or reject any Proposal or all Proposals at any time for any reason;
 - (15) publish the names of Proponents;
 - (16) request any Proponent to provide a suitable bond or deposit as a precondition to its continuation in the RFP process;
 - (17) not provide Proponents with any reason for any actions or decisions it may take, including in respect of the exercise of any or all of the abovementioned rights; and
 - (18) take such other action as it considers appropriate in relation to the RFP process and the sale or non-sale of the Proposal parcels.
- (b) FSA is not obliged to accept any Proposal. If FSA does accept any Proposal it is not obliged to accept the best priced Proposal.

1.2 Addenda to RFP

If for any reason FSA requires the RFP to be amended, an Addendum will be issued. Each Addendum becomes part of this RFP. It is the responsibility of Proponents to verify whether any Addenda have been issued prior to the Closing Time on the Closing Date, even if a Proposal has already been submitted.

1.3 **Method of acceptance**

- (a) This RFP is not an offer to contract, but rather represents a definition of requirements, and an invitation to Proponents to submit a Proposal in response to those requirements. The release of this RFP, a Proponent's preparation and submission of a Proposal, and the subsequent receipt and evaluation of any Proposal by FSA does not commit any person to enter into any contract with any Proponent, even if the requirements, as stated in the RFP, are met. Only the execution of a written Log Contract with a Proponent will create any binding obligations with a Proponent.
- (b) FSA may at any time, whether before or after the Closing Time, cancel or revoke this RFP. The process contemplated by this RFP does not oblige any person to enter into any Contract with any Proponent.
- (c) FSA may elect to accept one or more Proposals submitted pursuant to this RFP, not accept any Proposals submitted pursuant to this RFP, negotiate with one or more Proponents, or negotiate with other persons in relation to the subject matter contemplated by this RFP whether or not those other persons have submitted a Proposal pursuant to this RFP.
- (d) FSA may alter or accept alterations to any of the terms of and conditions of the Contract in negotiations with any person.

1.4 **Discretion**

Where FSA has a right, including to exercise a discretion or make an election or determination, they may do so in their absolute discretion and are not required to give any reasons for any such exercise of a right, discretion, election or determination.

2 **Proposal requirements**

2.1 **Proponent to inform itself**

Before submitting its Proposal the Proponent is to examine all information relevant to the risks, contingencies and other circumstances having an impact on its Proposal and satisfy itself that the Proposal, including the price offered, is correct, and that it is financially and practically viable for it to enter into and perform the proposed Contract.

2.2 **Legal entity of Proponent**

Proposals are to be submitted by a legal entity with the legal capacity to enter into the contract.

2.3 **Proposal lodgement**

- (a) Proposals are to be received by FSA by the Closing Time on the Closing Date.

- (b) Proponents are to complete all of the Proposal Response Document in Part D and are not to amend any of the questions in that Proposal Response Document. Prices, responses and other information provided in the Proposal are to be in writing and in English. The Proposal price is to be in Australian dollars and otherwise comply with the requirements of this RFP.
- (c) Electronically submitted Proposals may be made corrupt or incomplete, for example by computer viruses. FSA may decline to consider a Proposal that cannot be effectively evaluated because it is incomplete or corrupt.

2.4 **Proposal validity period**

The Proposal will remain open for acceptance by FSA for a period of 21 days from the Opening Date to the Closing Date.

2.5 **Conforming Proposals**

Conforming Proposals are those which comply with the requirements of this RFP, are complete and submitted correctly and on time (**Conforming Proposal**). FSA seeks Conforming Proposals. FSA may, in its absolute discretion exclude non-Conforming Proposals from further consideration or continue to consider non-Conforming Proposals. However, FSA will generally give preference to Conforming Proposals.

3 **Ethical conduct**

- (a) Proponents are not to engage in any collusive Proposaling, anti-competitive, unlawful or unethical conduct or any other similar conduct with any other Proponent or any other person in relation to the preparation or lodgement of a Proposal.
- (b) Proponents are not to contact any employees, officers, agents or contractors of FSA (other than as expressly permitted under this RFP) in any way in connection with this RFP. Any unauthorised communication or attempted approach by a Proponent may lead to the rejection of the Proposals of any person involved in such conduct.
- (c) Proponents are to promptly inform FSA of any actual, potential or perceived conflict of interest during the RFP process or in relation to their potential involvement in the RFP process. If FSA considers that any actual, potential or perceived conflict of interest exists, it may exclude the Proponent or any other Proponent affected by the conflict of interest from the RFP process.

4 **Costs of participation in the RFP**

The Proponent is responsible for all of its costs and expenses incurred as a result of its participation in this RFP, including where the RFP is discontinued. The Proponent

acknowledges and agrees that FSA is not responsible for any such costs and expenses in any circumstances.

5 **No liability of FSA**

The Proponent acknowledges and agrees that FSA and its respective employees, officers, agents and contractors have no liability to the Proponent or any of its employees, officers, agents, contractors or associated entities in respect of any matter arising out of or in any way in connection with the RFP and the process contemplated by the RFP.

6 **Intellectual property and confidentiality**

- (a) Subject to clause 6(c) below, all Proposals become the property of FSA on submission and will not be returned to the Proponent.
- (b) FSA retains all intellectual property rights in the RFP and all confidential information in the RFP remains the confidential information of FSA. Proponents should not, and are not to permit any other person to, use or disclose any confidential information of FSA in any way or to any person, except to the extent required to submit a Proposal pursuant to this RFP.
- (c) Proponents retain their rights to any intellectual property rights of the Proponent that may be contained within their Proposal and which are clearly identified by the Proponent in its Proposal as the intellectual property rights of the Proponent.

7 **Publicity**

Proponents are not to make any public statement about this RFP, the process contemplated by this RFP or the award of any Contract in relation to this RFP without the prior written consent of FSA.

Part C – FSA Preferred Terms for Contract

TERM	5 months		
ANNUAL LOG SUPPLY	Period of Supply	Volume (t)	
	17 February 2020 to 30 June 2020	Up to 75,000	
SITE-BASED PRICES	Price per Grade (Site basis, excluding GST)		
	Sale method <i>(please indicate preferred approach: Stumpage, Roadside, or Delivered)</i>	Price per grade per tonne (non-fire effected)	Price per grade per tonne (fire effected)
LOG SPECIFICATIONS	Proponent to advise log specifications that underpin their proposal including log lengths, maximum LED & minimum SED parameters.		
COMMENCEMENT DATE	17 February 2020		
EXPIRY DATE	30 June 2020		
TITLE & RISK	Title in product remains with ForestrySA (FSA) until paid. Risk transfers to Customer upon purchase.		
PAYMENT TERMS	30 days or less in arrears. If payment is overdue interest can be charged.		
INDEMNITY	Reciprocal Indemnity.		
ASSIGNMENT	Reciprocal assignment with consent acting reasonably.		
TERMINATION & SUSPENSION	If either Party becomes Insolvent, effects Change of Control without consent, then the affected Party may immediately suspend or reduce log supply, or terminate agreement. If either Party fails to pay invoice when due, fails to maintain insurance or fails to provide Security then the affected Party may immediately suspend or reduce log supply, then give 20 days' Notice to remedy and if not rectified then immediately terminate agreement. If either Party fails to remedy other breach of agreement then resolve through Dispute Resolution.		
RATE OF SUPPLY	Plantation access to be supplied at FSA's discretion, to the total volume specified by the Proponent (plus or minus 20%).		
OVERCUT	Customer may purchase > 100% (maximum Log Supply) if available, at the sole discretion of FSA.		
DELIVERY LOCATION	If applicable, to be specified by Proponent. Relevant freight adjustments to be considered by FSA in evaluation and/or negotiations.		
DELIVERY TIMES	If applicable, negotiated WGP		
REJECT LOG	If applicable, negotiated WGP		

SECURITY	Cash deposit or unconditional bank guarantee for 100% of agreed parcels of log volumes offered by FSA for harvest and as defined in the Log Supply Agreement, expiring no earlier than 10 weeks after the Contract expiry date.
INSURANCE	Public Liability Insurance \$20,000,000
MEASUREMENT METHOD	To be negotiated

Part D – Form of Proposal Response

Form of Proposal Response

Proponents are to submit their Proposals to FSA by completing the Proposal Response Form as set out below.

Proposal in response to Request for Proposal 2020/67

	Proponent details	
1.	Name and ABN of Proponent	
2.	Address of Proponent	
3.	Name and details of a contact within the Proponent	
	Confirmation of specific details	
4.	Does the Proponent agree with the Proponent Deed (Part E)	Yes/No Provide any details
5.	Does the Proponent agree to FSA's preferred terms for Contract (Part C)?	Yes/No Provide any details
6.	Does the Proponent agree to purchase and pay for the type and	Yes/No

	volume of log Proposed for during the defined period of supply (Part C)?	Provide any details
7.	Does the proponent agree to pay all amounts for logs supplied within 30 days or less after the end of the period in which the supply occurs?	Yes/No Provide any details: supply period weekly / monthly payment terms +7 days / +30 days
8.	Does the Proponent agree to provide security in the form of a cash deposit or unconditional bank guarantee for 100% of agreed parcels of log volumes offered by FSA for harvest and as defined in the Stumpage Sale or Log Supply Agreement, expiring no earlier than 10 weeks after the Contract expiry date.	Yes/No Provide any details
9.	Are the Proposed prices the total price payable for logs and not subject to any deduction or withholding, for example due to freight and insurance charges, imposts, taxes, rates and Government charges that may be applicable?	Yes/No Provide any details
10.	Is the Proponent (or any entity related to the Proponent) a party to any LSA with FSA or any other supplier of log?	Yes/No Details of any relevant contracts
11.	If “Yes” to 10, is the Proponent (to the best of its knowledge and belief) in compliance with, and not in breach of, any such contracts?	Yes/No Provide details

12.	Does the Proponent understand that where it submits a Proposal for certain components of a Proposal parcel only, it will be evaluated against the evaluation criteria, including a review of Net Revenue (NR) impacts and subsequent impacts on FSA's operating overhead costs, and the ability to secure the offered pricing based on other Proposals received and requested volumes	Yes/No Provide details
13.	Do the bid prices stand if the volume bid for (plus or minus 20%) is not available?	Yes/No Provide details
14.	Does the Proponent have suitable capacity and competencies to harvest in steep slope situations?	Yes/No/NA Provide details
15.	Will the Proponent supply log trucks fitted with Chain of Responsibility controls including EBS and truck scales?	Yes/No/NA Provide details
16.	If the proponent proposes providing harvest and transport capacity what assurance can be given to verify the proposal is sustainable?	N/A or Provide details
17.	Does the Proponent have a demonstrable Safety, Health and Environmental Management System in place?	Yes/No/NA Provide details

18.	Has the proponent supplied preferred specifications for the logs proposed to be purchased under this RFP?	Yes/No/NA Provide details
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Please summarise in the table below attachments appended to further substantiate the proposal response

Item	Relevant Criteria Number	Attachment title or description

Part E – Proponent Deed

This Deed is made on 2020

By: [insert name and ABN of Proponent]

(Proponent)

For the benefit of: ForestrySA ABN 57 969 474 679 (**FSA**, the **Beneficiary**)

Recitals

- A. The Proponent is Proposing for the purchase of logs from FSA pursuant to Request for Proposal 2020/67 (**RFP**).
- B. The Proponent is providing this Deed to the Beneficiaries, for the benefit of the Beneficiaries, as part of its Proposal in response to the RFP (the **Proposal**).

Operative Provisions

1. The Proponent represents to the Beneficiaries that all information in its Proposal is correct and not misleading in any particular (including by reason of omission) at the time it is lodged.
2. If, during the period from the time it lodges its Proposal until the time the Proponent is advised of the outcome of the RFP process, the Proponent becomes aware that any information in its Proposal is incorrect or misleading (including by reason of omission), it is to immediately notify FSA in writing.
3. The Proponent offers to purchase the goods referred to in the RFP on the basis set out in its Proposal and will not withdraw that offer (without the written approval of FSA) before the end of the period for which it must remain open for acceptance as required under the RFP.
4. The Proponent releases each of the Beneficiaries, their employees, officers, agents and contractors from any and all claims, demands, suits or actions which it or any of its, employees, officers, agents, contractors or associated entities may have, or have had, arising out of or in any way in connection with the RFP and the process contemplated by the RFP.
5. The Proponent is not to make any public statement about this RFP, the process contemplated by this RFP or the award of any Contract in relation to this RFP without the prior written consent of FSA.
6. The Proponent acknowledges and agrees that it is responsible for all costs and expenses incurred by the Proponent in connection with the RFP, including where the RFP is discontinued.

Executed as deed

Signed by:

[Insert signatory(s)]

[Insert witness(es)]