



Case Study #1 Timber Bid

FRST 318/537c - Forest and
Conservation Economics

Due February 5, 11:00am

Exercise

- Timber Sale Licence **A90250** Tsitika Mainline up for sale.
- Determine a **bid** for the TSL based on **costs** associated with harvesting the timber and stand **value**.
- Submit **report** describing rationale behind bid (costs, values, profit & risk, and final bid) and **excel file spreadsheet** .

Case Study #1: Timber Bid

TSL A90250

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Notice ID	Title	Notice Type
8922	A90250 Tsitika Mainline	BC Timber Sales

Records 1-1 of 1

Attachment	Description	
IA90250_a_ToC.pdf	Table of Contents	<input type="button" value="Download"/>
IA90250_b_TSL_HighLights.pdf	TSL Safety and Highlights Report	<input type="button" value="Download"/>
A90250_c_Particulars.pdf	Particulars of the Invitation for Application & Tender	<input type="button" value="Download"/>
A90250_d_TenderEnvel.pdf	Tender Envelope for Submission	<input type="button" value="Download"/>
A90250_e1_TSL.pdf	TSL and Schedules (specimen)	<input type="button" value="Download"/>
A90250_e2_TSL_Exhibit_A.pdf	TSL Exhibit A	<input type="button" value="Download"/>
A90250_f1_RP.pdf	RP and Schedules (specimen)	<input type="button" value="Download"/>
A90250_f2_RP_Exhibit_A.pdf	RP Exhibit A	<input type="button" value="Download"/>
A90250_i1_OverviewLocation_2Bks.pdf	Overview Location Map - Blocks L029C3US & L039C3X2	<input type="button" value="Download"/>
A90250_i2_DetailedLocation_2Bks.pdf	Detailed Location Map - Blocks L029C3US & L039C3X2	<input type="button" value="Download"/>
A90250_i3_map_SP_Bk_L029C3US.pdf	Site Plan Map - Block L029C3US	<input type="button" value="Download"/>
A90250_i3_map_SP_Bk_L039C3X2.pdf	Site Plan Map - Block L039C3X2	<input type="button" value="Download"/>
A90250_i4_map_HP_Bk_L029C3US.pdf	Harvest Plan Map - Block L029C3US	<input type="button" value="Download"/>
A90250_i4_map_HP_Bk_L039C3X2.pdf	Harvest Plan Map - Block L039C3X2	<input type="button" value="Download"/>
A90250_i5_map_Cruise_Bk_L029C3US.pdf	Cruise Map - Block L029C3US	<input type="button" value="Download"/>
A90250_i5_map_Cruise_Bk_L039C3X2.pdf	Cruise Map - Block L039C3X2	<input type="button" value="Download"/>
A90250_i6_map_Road_Overview_Bk_L029C3US.pdf	Road Construction Map - Overview - Block L029C3US	<input type="button" value="Download"/>
A90250_i6_map_Road_Overview_Bk_L039C3X2.pdf	Road Construction Map - Overview - Block L039C3X2	<input type="button" value="Download"/>
A90250_j1_FullCruise_For_Appraisal.PDF	Full Cruise Compilation (For Appraisal)	<input type="button" value="Download"/>
A90250_j2_FullCruise_CGNF_Not_For_Appraisal.PDF	Full Cruise Compilation(Coastal Call Grade/Net Factor - Not For Appraisal)	<input type="button" value="Download"/>

TSL A90250

TSL Safety and Highlights Report

8.0 Roads

Prospective bidders please read the licence and/or permit documents for full details of the items noted below.

8.1 Access Information

- Approximate new road construction: 4.444km
 - In Block 4.033 km
 - Road Permit 4.444 km
- Approximate total road deactivation: 4.444km
- Work Windows/Timing Restrictions: Block L039C3X2 Seasonal Structure Removal. Refer to Site/Harvest plan

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Particulars

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BC TIMBER SALES

TIMBERMARK	SPECIES	ESTIMATED VOLUMES		ESTIMATED VALUE AT UPSET STUMPAGE RATE
		ESTIMATED VOLUME OF TIMBER (CBM)	ESTIMATED VOLUME OF STUMPAGE WASTE (CBM)	
		(A)	(B)	(C) = (A) x (C)
Herndon (H)	SP	14,438	1,638	\$160,728
Cherry (C)	SP	13,505	1,638	\$145,563
Weyerhaeuser (W)	SP	12,097	1,638	\$130,263
Western (W)	SP	4,712	1,638	\$50,942
SUBTOTAL BY TIMBERMARK				
TOTAL COMPETITIVE VOLUME AND VALUE		44,752		\$487,496
TOTAL NON-COMPETITIVE VOLUME AND VALUE		7,370		\$79,170
TOTAL TIMBER SALE VOLUME AND VALUE		52,122		\$566,666
OTHER DEPOSITS				\$10,000.00
TOTAL DEPOSIT				\$10,000.00

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- make this Application and tender and provide other information required in the Invitation for applications (the Invitation) for the above stated timber sale licence
- have read and understand the Invitation, this Application and Tender for Timber Sale Licence A90250 and the associated tender package contents.
- understand that:
 - the Timber Sale Licence area is Fully appraised with only one Timbermark, and
 - the Upset Stumpage Rate for this licence is \$10.86 per cubic metre.

(\$0.25 for non competitive)
- agree to pay the Upset Stumpage Rate stated above for sawlogs, and the prescribed rates for all other grades, for all timber cut and removed or assessed as waste under this licence.:
- offer to pay to the government, in addition to other amounts payable under the *Forest Act* and the *Regulation*,
 - stumpage under Part 7 of the *Forest Act*, and
 - a Bonus Bid in the amount of per cubic metre
- will pay the deposits and charges upon request, and/or as specified in any applicable legislation, regulation or agreement.
- hereby apply for a road permit if this Application is approved and if it will be necessary for me/us to construct one or more roads to access the cutting authority area.

Bid

Costs

- Harvest Costs
 - eg. Road building (x /km, culverts, bridges...)
 - eg. To market
- Marketing Costs
 - eg. Management
- Fees
 - eg. Upset stumpage rate ($\$10.86/m^3$ and $\$0.25/m^3$)

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Value

- Grades
 - Competitive
 - Non-competitive
- Live volumes
- Prices

https://www.for.gov.bc.ca/ftp/hva/external!/publish/web/parameters/coast/2015/MPS_201502.pdf

OLDEST CRUISE PLOT DATE JUL/2012

SPECIES	LOG GRADE PERCENTAGES													L	M	U	X	Y	NET M3 /TREE	NET /HA.	NET M3 /HA.	LIVE NET M3	LIVE M3/HA.	DEAD NET M3	DEAD M3/HA.
	B	C	D	E	F	G	H	I	J	K															
BALSAM			1		3		16	4	61									12,501	0.79	173.628	11,997	166.625	504	7.003	
CEDAR							50	16					2	8	17			4,506	6.19	62.581	3,686	51.191	820	11.390	
Y CEDAR			10		7		23	3	18									14,523	2.06	201.711	13,437	186.620	1,087	15.091	
HEMLOCK			3		2		16	12	31									28,801	1.60	400.015	28,195	391.592	606	8.423	
TOTAL - ALL																		60,331	1.45	837.934	57,314	796.027	3,017	41.907	
TOTAL - CONIFER																		60,331	1.45	837.934	57,314	796.027	3,017	41.907	
2nd GROWTH CONIFER																									
NHS - CONIFER																					837.93				

Excel File Spreadsheet

- Use Tabs
 - Summary, Value, Cost
- Neat
 - Colours, borders, etc.
- Easy to follow
 - Order matters, use comment cells to describe values if necessary