



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

Division of Forestry and Fire Protection

SOUTHEAST AREA OFFICE
2417 Tongass Avenue, Suite 213
Ketchikan, AK 99901
Main: 907.225-3070

October 13, 2023

To: Sawmill Operators

RE: REQUEST FOR PROPOSALS
FOR PURCHASE OF THE EL CAPITAN AND WHALE PASS TIMBER SALE

Dear Mill Owners:

Under the authority of AS 38.05.118, the Division of Forestry and Fire Protection (DOF) is soliciting Requests for Proposals (RFPs) from qualifying businesses interested in negotiating the purchase of one (1) timber sale composed of two (2) planning areas in the northern part of Prince of Wales Island. The two planning areas are El Capitan and Whale Pass with nine and six harvest units respectively. The intent of this sale is to supply timber to a mill operator doing business within the State of Alaska. The Division of Forestry will require the sale's saw log volume to be manufactured in the State of Alaska and to produce as much "value-added" and "high value added" product as possible. Limited export of round saw log timber will be considered **if identified in the initial proposal**. Round log export shall be a minor component of the sale. The successful proposer will be allowed, and is encouraged, to sell logs that their company does not have the markets or capabilities to manufacture to other local mills for in-state manufacture. The use and manufacture of utility volume is optional, based on the purchaser's needs. A log accountability plan will be implemented to track all timber harvested from the sale regardless of the destination. The purchaser will provide the DOF with certification of scale volume by species and saw log grade as determined by an independent third-party scaling bureau.

The RFP process is designed to provide a fair method to determine which qualifying business would potentially provide the most benefit to the State and local communities by harvesting and processing a given timber sale offered by the State of Alaska. This process is used due to the high level of interest in and high demand for state timber sales. The capabilities represented by the proposer are expected to be in good faith and factual. The DOF will consider any RFP non-responsive that fails to provide the required information or indicates that submitted performance would be improbable. Should a purchase agreement not be reached between the two parties within ten business days of the selection of the highest scoring proposer, the Division of Forestry will select the next highest scoring proposer for negotiations.

Sale Description:

The DOF is offering one timber sale for negotiated purchase, the El Capitan and Whale Pass Timber Sale composed of 15 units. The sale area is on the northern end of Prince of Wales Island.

Whale Pass

There are six units near the community of Whale Pass. The timber sale area is found within Sections 13, 23, 24, 25, 26, and 27, Township 66 South, Range 79 East, Copper River Meridian (CRM). The sale area is found within the Petersburg A-4 USGS quadrangle.

El Capitan

There are nine units near the junction of the FDR 2000 and FDR 2700. The timber sale area is found within Sections 1, 12, and 13, Township 66 South, Range 78 East, and Sections 6, 7, 8 and 18, Township 66 South, Range 79 East, Copper River Meridian (CRM). The sale area is found within the Petersburg A-4 NW USGS quadrangle.

All sale boundaries are flagged with pink “Timber Harvest Boundary” ribbon.

This sale has an estimated saw log volume of 12,737 Thousand Board Feet (MBF) on approximately 628 acres.

Planning Area	Acres	Sitka Spruce (MBF)	Western Hemlock (MBF)	Western Red Cedar (MBF)	Alaska Yellow Cedar (MBF)	Utility/ Pulp (MBF)	Total Sawlog (MBF)	Total All (MBF)
El Capitan	336	1,240	4,179	2,328	435	1,477	8,182	9,659
Whale Pass	292	337	1,116	2,790	312	143	4,555	4,698
Totals	628	1,577	5,295	5,118	747	1,620	12,737	14,357

The State’s appraised value is an estimate of the sale’s fair market value, and is not intended to be the minimum bid. DOF reserves the right to set a minimum acceptable stumpage price. The State appraised value for this sale is \$1,829,960.00.

Minimum Mill Experience Required

In order for your proposal to be considered responsive, a proposer must be able to demonstrate the following minimum experience and qualifications:

- The proposer is a resident of Alaska and is licensed to do business in the State of Alaska;
- The proposer owns a functioning sawmill in the State of Alaska that has the proven capability to process and manufacture at least value-added wood products.

The DOF will only give consideration to potential purchasers that will manufacture a major percentage of the sale volume, at a minimum, into value-added or high value-added wood products.

As defined in AS 38.05.123(j) (2) or determined by the commissioner, value-added wood products are:

- Round house logs
- chips
- green lumber
- flitches, cants or rough planks
- Radius edged decking or siding

As defined in AS 38.05.123(j) (1) and 11 AAC 71.096, a high value-added wood product includes:

Interior finish paneling, trim molding, flooring, doors, windows, cabinet stock, furniture, musical instruments or parts of instruments, toys, tools and implements, ready-to-assemble building kits, veneer, plywood, finger-jointed lumber, faced house logs, dissolving pulp, engineered wood products, paneled wood products, kiln-dried lumber, laminated veneer lumber, shakes, shingles and other similar finished wood products as determined by the commissioner to have received processing beyond sawing and planning that adds high value to the wood product.

Outline of Agreement Terms and Conditions

1. The Purchaser's operations on the timber sale must at all times comply with the Best Management Practices as outlined in the Alaska Forest Practices Act and Regulations for public lands, the Best Interest Finding (BIF), and the adopted Forest Land Use Plan (FLUP) for the respective planning area. The FLUPs describes the specific management requirements of the respective planning area. The BIFs and FLUPs for the sale may be viewed at:
El Capitan BIF: <http://notice.alaska.gov/210549>
El Capitan FLUP: <http://notice.alaska.gov/212245>
Whale Pass BIF: <http://notice.alaska.gov/206692>
Whale Pass FLUP: <http://notice.alaska.gov/210586>
2. Liability requirements are outlined in the sample contract; the purchaser shall defend, indemnify, and hold harmless the State of Alaska according to the contract outline.
3. The potential purchaser will have the ability to adequately bond for the successful performance of the timber sale. The successful proposer will be required to post a minimum performance bond in the form of cash or certificate of deposit in the amount of One Hundred thousand dollars (\$100,000.00) with the State for purchase of the timber sale at the time of signing the contract.

4. The purchaser shall make an Initial Stumpage Deposit payment totaling 10% of the estimated total stumpage to the State at the execution of the contract. The purchaser's Initial Bid Deposit from the RFP process will be applied to the contract Stumpage Deposit.
5. An Operating plan shall be submitted meeting the requirements and intent as outlined in the contract and subject to DOF approval prior to operations proceeding. The Operating plan shall substantially represent the operations. Operating without a representative and approved plan is a contract default.
6. The stumpage deposit shall at a minimum represent the timber cut in the sale area that has not been scaled. The purchaser's stumpage deposit shall be deposited ahead of falling operations and correspond with the operating plan. The purchaser shall make a minimum advanced stumpage deposit for 25% of the total timber value prior to falling operations in the sale. No interest shall be due from the State on Advance Stumpage Deposits.
7. The term of the contract is five years.
8. Purchaser road construction and management requirements:
 - a. New road construction: 8.28 miles of DOF Secondary and Spur Road (with site specific grade allowances as specified in the FLUP);
 - b. Maintain road to 11 AAC 95.315 on State lands used for access;
 - c. The closure at the end of the contract or other mutually agreed to timeframe of 8.28 miles of forest road within the timber sale area to 11 AAC 95.320.
 - d. Maintain and pay for associated road fees as applicable on other ownership and management authority that is used for access to timber.
9. Comply with applicable log transfer permits, maintenance requirements and fees of the facility manager that are used in the course of removing the timber.
10. A seven-acre wildlife corridor is flagged in Whale Pass Unit 2. Fifty percent of the basal area shall be retained in this area. The DOF will work with the purchaser to mark these trees prior to harvest.
11. Safety. The timber operating plan will address safety of the public. The plan will be kept current reflecting actions and summarize hazards to be avoided by the public. Outreach to the extent feasible will communicate directly with property owners adjacent to active operations. The communication will specifically make owners aware of active cutting, logging operations and blasting within 500 feet of private property. Signs, lookouts or flaggers will be posted in the proximity of operations as warranted by the activity and terrain.

12. Hauling of timber on roads in residential areas shall to the extent feasible consider other existing use patterns. Hauling timber on the existing FDR 2500 (Neck Lake Road) is not authorized in this contract.
13. Operations shall take all feasible actions to manage noise from the timber sale. Within a one quarter mile of residential areas, the PURCHASER's operations shall restrict heavy equipment use, blasting, cutting and hauling operations to between 07:00 – 20:00.

Evaluation of the Proposals

Proposals shall present documentation of their mill capacity in a clear manner so that the DOF can judge and convey its basis of decision to the other proposers. The proposer at a minimum is required to submit a summary of their mill capabilities on Exhibit C. If the proposer feels that more information is desired to reflect its position and experience, please attach the additional information to your proposal.

The State of Alaska intends to negotiate a timber sale agreement with the proposer that has the highest composite score for this sale, based on the following criteria and their respective weight:

1. The track record of the company to process **value-added** or **high value added** timber products. The successful proposer will document the past three years of mill production for their mill(s). The proposer that provides a clear and verifiable record will receive a total of 15 points (15%).
2. The proposed quantity of **value-added** or **high value added timber** products to be produced from the desired timber sale. Any facility, present or proposed, must be operational before sale purchase. The proposer with the highest proposed increment of **value-added** products for this sale will receive 35 points (35%). Other submitted proposed quantity of value-added timber products that are less than the highest submitted proposed quantity of value-added timber products, will be prorated based on the highest quantity submitted.
3. The proposed sale price from the proposer for the sale, 50 points (50%). The proposal will be evaluated based on a lump sum stumpage price total of timber to be processed into value added or high value added wood products in the State of Alaska. The highest price will get the most points. Other submitted proposal sale prices that are less than the highest submitted lump sum price will be prorated based on the highest price submitted.

Proposals which do not include the required information as listed above will be rejected and not scored. Appeal of rejected proposals must be in writing and received by the commissioner's office within twenty days after the date the rejected proposal was received by the proposer (11AAC 02.030).

Five points per question will be deducted for incomplete, misrepresented, or missing information on Exhibit C. If the proposer cannot answer a question on Exhibit C, the proposer must state that the question is unanswerable and provide the reason why. The DOF will not deduct points nor will it give points for a qualified “no response” to a question by the proposer in their proposal.

The DOF’s decision to negotiate with the highest scoring proposer may be appealed in writing within five days in accordance with AAC 38.05.120. To appeal the decision the aggrieved proposer must have submitted a complete and timely proposal to the DOF for the timber sale in contention.

Communication regarding the timber sales will not be considered relevant unless presented in writing.

A committee appointed by the Southeast Area Forester will evaluate the proposals. For additional information regarding this timber sale, contact the DOF Area Forester at greg.staunton@alaska.gov or at (907) 225-3070.

Submission Requirements

If your firm is interested in purchasing this sale, please provide this office with a completed proposal. Send to the attention of the Southeast Area Forester at the Alaska Department of Natural Resources, Division of Forestry, 2417 Tongass Avenue, Suite 213, Ketchikan, Alaska 99901 no later than **2:00 p.m. November 13, 2023**. Proposers are responsible for assuring that their complete proposal(s) are delivered on time.

All proposal(s) shall include the following information for the sale(s) you are proposing to purchase:

1. A copy of your current Alaska Business License;
2. A complete Timber Sale Proposal Sheet (Exhibit C);
3. A **certified cashiers check** or **money order** made out to the State of Alaska for **5% of your proposed purchase price** for the timber sale. The successful proposer’s check or money order (Initial Stumpage Fee) will be used towards the purchase price of the timber sale. The unsuccessful proposers will have their check or money order returned.
4. The proposal will be submitted in an envelope labeled with the name and number of the timber sale and titled, “Timber Sale Proposal”.

Proposals which do not include the required information as listed above will be rejected and not scored. Appeal of rejected proposals must be in writing and received by the commissioner’s office within twenty days after the date the rejected proposal was received by the proposer (11AAC 02.030).

RFP El Capitan and Whale Pass Timber Sale (SSE-1380 K / SSE 1378 K)
October 13, 2023
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Sincerely,

Southeast Area Forester

cc: Steve Connelly, Coastal Regional Forester, DOF Anchorage

Exhibits:

Exhibit A - Adopted Forest Land Use Plan Sale Area Maps (15 Pages)

Exhibit B - Timber Sale Cruise, contains the specific timber sale information for the sale, including the timber cruise reports and the sort and grade parameters. The timber sale was cruised by the DOF using the Atterbury Cruise Program. The sale information and volumes represented in this document and the reports are estimates only. The State does not warranty the total volume that may be cut in the sale or the appraised value, nor does it warranty map accuracy, species distribution, grade, quantity, quality or merchantability of the timber in the sale. It is the proposer's responsibility to make its own determination regarding the value, volume, and operability of the sale. (Two reports totaling 24 Pages)

Exhibit C - Timber Sale Proposal Sheet. (2 Pages)

Exhibit D - Timber Sale Sample Contract. (Approximately 29 Pages)