

Components to Include in the Bid and Logging Plan

Due: December 6, 2007

Bid: 1. Use the following prices to estimate stumpage prices for bid:

<u>Sawtimber</u>	<u>\$/ton</u>	<u>Pulpwood</u>	<u>\$/ton</u>
Pine	37.70	Pine	6.24
Hardwood	21.22	Hardwood	5.40

You will calculate the costs and revenues for all three company scenarios, and you will make a bid accordingly. In reality, as a procurement forester you may be selecting the most appropriate logging crew to assign to a given timber sale. However, our company scenarios contain system elements/ components that are not all “standard” in southern pine logging.

Assume mill delivered price is 1.5x stumpage for sawtimber and 2x for pulpwood (disregard species differences). Don’t forget to include your return on investment as a mark-up on the bid, in addition to covering your costs. ***Report the percentage return that you are expecting.***

2. Itemize your costs by activities- equipment and labor.
3. Your final bid will be a “lump sum” bid. In reality you would not itemize your costs and returns for the seller; you would just submit a dollar amount (I need this information for evaluation purposes). Be sure to make your dollar amount bid clear.

Logging Plan (When and where applicable):

Essentials:

1. Clearly delineate skid trails and landings on maps.
2. Discuss road maintenance, if any.
3. Inventory verification cruise information (if applicable).
4. Damage control provisions?
5. Post-harvest treatments?
6. Show a time-line for completion.
 - a. Include both components and activities associated with the components of your system.

Options-

1. Provisions for regeneration.
2. Ecological provisions (wildlife, aesthetics, etc.)
3. Assessment of potential insect or disease problems and controls.

4. Suggestions to landowner for future activities designed to meet the landowner's objectives, as stated in the management plan accompanying the bid request.
5. Wow me with your insight!