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DEPARTMENT OF
CONSERVATION AND
LAND MANAGEMENT

A Call for Expressions of Interest
in The Purchase of
**HARDWOOD
SPECIALITY LOGS**
September 1989

A CALL FOR EXPRESSIONS OF INTEREST IN THE PURCHASE OF HARDWOOD SPECIALITY LOGS

INITIATIVE

The Timber Strategy approved by the Government in 1988 made a commitment that an assured supply of speciality logs suitable for processing into furniture grade material would be made available. Quoting from page 61 of the Timber Strategy:

"To ensure supply does not inhibit development of value added industry, up to 30 000 cubic metres per annum of speciality logs will be made available as the situation demands.

A major criterion for the allocation of this resource will be the capacity of the company selected to produce an assured supply of high grade seasoned hardwood."

The concept of value adding is seen as a key strategy to increase the socioeconomic value of the timber industry to the State.

This offer to sell speciality logs is designed to create opportunities which will provide resources for value added wood manufacturing.

The Government is anxious to foster new technology in the processing of hardwood logs. It wishes to build on the research findings of the Public Interest Project being carried out at the Harvey Wood Utilisation Research Centre. This project, funded in equal proportions by the Commonwealth and State Governments and the timber industry, has now demonstrated that significant advantages can be achieved using new technology.

For example, the VALWOOD concept has been developed. It is a process designed to convert small diameter hardwoods commercially into dry value-added products. The products from this revolutionary sawing, seasoning and gluing process have been given the registered trade name "VALWOOD". This process is available for consideration by people wishing to register their interest. Demonstrations of the process can be arranged by appointment.

LOG RESOURCE

The speciality log resource is diversified both in type and geographic distribution. This situation will have a bearing on the location and size of new processing equipment and the degree of integration with existing facilities. For this reason CALM wishes to receive and discuss with industry its processing proposals.

The log resource for the proposal will initially come from harvesting the new categories of logs using contractors operating in integrated logging operations in all CALM forest regions. Depending on the scope of the proposal(s) accepted by the Department, it may be necessary to carry out harvesting of the logs in a modified form. **Existing Contracts negotiated in accordance with the Timber Strategy will not be compromised by any allocation of resource which may result from this call for expressions of interest.**

The log products will include:

- premium jarrah, karri and marri
- short jarrah and karri
- small diameter jarrah, karri and marri
- minor species such as sheoak and feature wood pieces such as burls.

VOLUMES

Annual volumes expected to be available for these proposals are:

Log Category	Volume
Premium Sawlogs (including present "veneer" logs)	Up to 10 000 m ³ . The mix will approximate: Jarrah 7 000 m ³ Karri 2 000 m ³ Marri 1 000 m ³
Regrowth Sawlogs	Nominally 10 000 m ³ . The species mix will approximate: Jarrah 8 000 m ³ Karri 1 000 m ³ Marri 1 000 m ³
Feature Sawlogs	Mainly Jarrah 10 000 m ³ Sheoak and other minor species (including burls) 1 000 m ³

Note: * Depending on proposals received, consideration may be given to amending the volume of a particular log category providing sufficient resource is available.

* No commitment to log availability is given or implied by this proposal.

LOG SPECIFICATIONS

PREMIUM SAWLOGS

Species:	Jarrah, Blackbutt, Wandoo, Karri, Marri	
Dimensions:	Length	- 2.1 m upwards
	Diameter	- min 400 mm underbark
Shape:	Logs will be straight	
Quality:	A maximum of 15% by volume of defective wood is permissible, as assessed on the worst end face, provided the defective wood is confined to the centre or heart of the log. No other defect is permissible.	
General:	Logs must be delivered to mill landing for water spray storage within 5 days of felling.	

REGROWTH SAWLOGS

Species:	Jarrah, Karri and Marri	
Dimensions:	Length	- 0.9 m upwards
	Diameter	- min 200 mm underbark max 400 mm underbark

Note * *Proposals including minimum diameters less than 200 mm will be considered.*

Shape:	Bends - acceptable provided minimum of 0.9 m of straight log available between bends and provided a maximum of 5% of any log is wasted when cutting out the bends at the mill.
Quality:	Defective wood will be limited to 20% of the large end and 10% of the small end.
General:	Logs will generally be supplied in bole lengths and must be delivered to mill landing for water spray storage within 5 days of felling.

FEATURE SAWLOGS

Species:	Jarrah, Blackbutt, Wandoo, Marri, Karri, Sheoak	
Dimensions:	Length	- 0.9m upwards
	Cross-section	- round logs 400 mm diameter minimum
		- slabbed sections - minimum 1 000 cm ²
Shape:	Bends -	acceptable provided minimum of 0.9 m of straight log available between bends
Quality:	A maximum of 15% by volume of defective wood is permissible, as assessed on the worst end face, provided the defective wood is confined to the centre or heart of the log, or to a single portion of a half log or slab. No other defect is permissible.	
General:	Feature logs include whole or part logs with rare and valued features such as "birds eye", "pencilling", curly grain or spiral grain. Logs must be delivered to mill within 5 days of felling.	

PRICING

Pricing of the logs will be subject to negotiation. Premium quality logs will however, be expected to attract a price significantly greater than the present first grade target royalty. The additional costs of processing non-conventional sizes will be a consideration in the final determination. However, pricing is expected to be commensurate with the value of the products produced.

PROPOSALS

Proposals will be received from individuals or companies, singly or jointly, for all or part of the offered resource.

Submissions should include the following:

Processing facility	Where it/they would be located, and whether it would be integrated with existing facilities or be a stand alone new plant?
Log Categories	Which ones would you utilise, which species and what volumes are considered necessary for a viable operation?
Processing Techniques	What is the sawing/slicing/peeling and drying strategy?
VALWOOD	Will VALWOOD products be incorporated in the proposal and if so are you prepared to undertake R & D of VALWOOD?
Marketing	Where and how will the products be marketed?
Log Pricing	What is the price range of the log categories you believe would make the proposal viable?

The proposals will be treated in strict confidence. The Executive Director reserves the right to accept or reject any or all proposals received without assigning any reason for doing so.

It is anticipated that commitment to accept a project or projects will result from discussions on proposals.

Submissions addressed to:

The Executive Director
Department of Conservation and Land Management
PO Box 104
COMO WA 6152

and marked "**Confidential - Speciality Wood Purchase Proposal**" should reach the Department by 3pm on Friday 3 November 1989.

