

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

In the Matter of awarding Contracts for the) Order No. 16-2005
Sale of Carcus Creek Logs)

WHEREAS, the County issued an invitation for bids to sell the logs felled during the Carcus Creek Timber Harvest-2005, in March of 2005; and

WHEREAS, the County received six bids to purchase such logs has received a recommendation from the County's timber sale consultant, Woodland Management, to enter into contracts with four mills, which is attached hereto as Attachment 1, and is incorporated herein by this reference; and

WHEREAS, pursuant to ORS 279A.185, the County may lawfully dispose of personal property owned by or under the control of the County by contract if prior to approving such contract, the County makes a finding that the contract will promote the economic development of the geographical area of the County;

NOW, THEREFORE, it is hereby ordered as follows:

1. The Board of County Commissioners finds that awarding contracts for the sale of logs harvested during the 2005 Carcus Creek Timber Harvest will promote the economic development of the geographical area of the County.
2. The Board awards contracts to the following companies:
 - A. The County shall sell 3-saw, 4-¹/₂ Douglas Fir logs to Hampton Tree Farms, Inc.
 - B. The County shall sell Douglas Fir logs over 32 inches at the big end to D.R. Johnson Lumber Company.
 - C. The County shall sell the bulk of the Douglas Fir sawlogs to RSG Forest Products, Inc.
 - D. The County shall sell the Hemlock logs to Floragon Forest Products Mollala, Inc.

E. The County shall sell all remaining logs to the RSG Forest Products, Inc.

Dated this 4th day of May, 2005.

Approved as to form

By: Sarah T. [Signature]

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: [Signature]
Anthony Hyde, Chair

By: [Signature]
Joe Corsiglia, Commissioner

By: [Signature]
Rita Bernhard, Commissioner



ATTACHMENT 1

5285 S.W. Meadows Road, Suite 468 ♦ Lake Oswego, Oregon 97035
(503) 684-4004 ♦ FAX (503) 684-4005 ♦ woodland@woodlandmgmt.com

MANAGEMENT INC.
Professional
Foresters

April 11, 2005

Mr. Dave Hill
Columbia County Parks
1054 Oregon Street
St. Helens, Oregon 97051

Dear Dave,

The purpose of this letter is to summarize the bids we received for the sale of logs from Carcus Creek and for the hiring of a logger to produce and transport those logs. Enclosed with this letter is a copy of the solicitation documents for both bids and a copy of each of the bids that we received. Finally, this letter also gives you my analysis of the bids and my recommendation as to which bid for logging is lowest and which of the bids for buying logs will give the County the highest net price.

We received bids from 6 companies seeking to purchase some part of the Carcus Creek logs. Copies of those bids are enclosed.

The bids that deal with Douglas-fir are discussed first, since that is the vast bulk of the volume. The RSG mill at Mist offered the best price for the bulk of the Douglas-fir logs – \$675/MBF for 36 to 40 foot logs, \$640/MBF for 32 and 34 foot logs, and \$550/MBF for most of the rest of the logs. They do not want logs over 32 inches in diameter at the big end. Logs larger than this are best sold to D. R. Johnson Lumber which is taking logs at the Teevin Bros. yard at Rainier. This sort is a very small part of the total volume. Hampton Tree Farms bid a variety of prices for a variety of lengths and sizes of logs. One of their bids was \$725 per MBF for 3 sawlogs that are 40 feet long. If we can negotiate a reasonable hauling price (this destination was not on the logger's bid form), the County would benefit from sorting this size and length log out and shipping it to Hampton. If not, these logs would go to RSG.

The RSG mill at Estacada and the Floragon mill at Molalla appear to be the best markets for hemlock. Floragon has the best price at \$525/MBF but they do not want logs over 20 inches at the big end. RSG will take the bigger logs at \$525, \$500, and \$400 per MBF for the same length sorts mentioned above for Douglas-fir. Other bids for hemlock are clearly less than these two mills.

Pacific Fibre made the only bid for pulp logs and for hardwood and cedar sawlogs. It was a one-month bid but they have agreed to extend it to three months as required by the bid package. The pulp prices are equivalent to other prices we have received recently. The price for hardwood sawlogs and cedar sawlogs are about 10% less than we could receive elsewhere, reflecting the fact that Pac-Fibre will have to resell those logs. Given that we have a very small volume of cedar and hardwoods on the Carcus Creek sale, I recommend that we accept the Pac-Fibre bid.

To summarize my recommendation as to where to sell the logs, I recommend that we sell the 3-saw, 40-foot Doug-fir logs to Hampton, the Doug-fir logs over 32 inches at the big end to D. R. Johnson in Rainier and the bulk of the Douglas-fir sawlogs to RSG-Olympic-Mist. I recommend that we sell the hemlock under 20 inches to Floragon in Molalla and the rest to RSG-Estacada. And I recommend that we sell the cedar, the hardwoods and the pulp to Pac-Fibre.

The second bidding process was to choose a logger. We received 17 bids, a very large number of bids in my experience. One of the bids was so high that I cannot consider it a serious effort to get this job. The other 16 bids varied from about \$55 per MBF to \$100 per MBF, loaded on truck (hauling additional). Half of the bids were below \$65 per MBF, a very low figure. Hauling costs varied among the bidders as did the per ton price. Taken all together, my analysis shows that Boone's Mechanical Cutting is the lowest bidder for logging services, followed by Ramco Mechanical Cutting and then Berglog and Levanen Logging. Levanen Logging had the lowest on-truck price but had higher hauling rates than the other 3 loggers. Boone had the second lowest on-truck price for scale wood, the lowest hauling prices and the highest price for weight wood. But since weight wood is not a big part of this sale, Boone appears to be the low bidder for logging.

Going to the markets I have described above and assuming \$300.00 per load to haul to Willamina, I expect that Boone's Mechanical Cutting will cost the County \$95 to \$99 per MBF for total logging cost (depends upon assumptions made about how many logs go to each market and how many MBF go on a truck). Ramco is about \$4 per MBF higher, Berglog is about \$5 per MBF higher and Levanen is about \$9 per MBF higher than Boone. Other bidders were even higher.

I have talked with two of Boone's four references at this point. I have also talked with people who know him but were not listed as references. All of the opinions are strongly positive. He is described as a good logger who pays his bills, cleans up after himself, does a good job and moves a lot of wood in a hurry. I will continue to try to talk to his other two references but I suspect the outcome will be the same.

Given the information I have at this point, I recommend that the County hire Boone's Mechanical Cutting to log Carcus Creek. They are available to start this week or next, if we can give them the go-ahead that soon. They expect to log about 20 loads a day. If they can meet that schedule, they would be done in two weeks.

All 17 of the logging bids are enclosed. I have left off the reference page for all of the bidders except Boone. The originals of the bids are on file at Woodland.

Please let me know if you have any questions, Dave.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Green", with a long horizontal flourish extending to the right.

Dan Green
Consulting Forester