

Request for Expression of Interest

Purchase of Forestry Estate

Amended 31 January 2017

Closing Date: 24 February 2017



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Part A – Background and Indicative Expression of Interest Programme

1 Background

Kaipara District Council (Council) wishes to receive Expressions of Interest (EOI) from parties wishing to purchase Council's Forestry Estate. Council's Forestry Estate comprises six separate blocks and around 580ha of forest. They are generally located around and north of Dargaville, Northland. Information on the forest size and location is set out in 'Part E –Forest Information' of this document.

Physical access to each forest is generally good, mostly by metalled roads, which are of a standard suitable for logging traffic. Main arterial access routes are via State Highway 12 and other sealed roads. In general, tarseal extends to within a few kilometres of each forest. Council has legal access to each forest. At Whatoro forest, practical physical access is via an easement over Department of Conservation (DOC) land.

Access within Whatoro, Catchment, Monteiths and Maropiu has been upgraded during the first rotation harvest and other forests generally have metalled four-wheel drive tracks. Winter access is limited in some forests however overall it is adequate for current forest management activities.

Council forests are located between 100km and 130km from Marsden Point (nearest export log port) and between 80km and 100km from Whangarei (domestic log markets). This request for Expressions of Interest (EOI) is issued by Council. Council's aim in this process is to seek and obtain EOIs from participants who are interested in making an offer to purchase the land and trees as a going concern.

2 Aims and objectives of the EOI process

Council owns a forestry portfolio that is no longer considered to be a core business activity for Council. This procurement process is seeking to identify the most suitable participants with whom Council could negotiate a sale of the forest Estate or in the case of the Hills and Monteiths forests the tree crop. A staged process is proposed for the sale of Council's Forestry Estate. Firstly, this EOI enables interested parties to engage with Council by showing their desire to purchase the land and trees or the tree crop. Secondly, as part of this EOI, participants are required to provide information about their organisations including their experience and track record in successfully undertaking similar forestry operations.

The EOI process is being undertaken on the basis set out in 'Part B EOI Conditions' and "Part C – Expression of Interest Requirements' of this document.

3 Indicative EOI Programme

The following is an indicative EOI programme that Council presently intends to follow. Council may modify the steps and/or dates at any time at its discretion and may terminate the process.

Notes:

- i Time has been allowed for parties/organisations to meet with Council staff to discuss the estate's attributes.
- ii Before entering into a contract to sell any or all of the forest properties, Council must pass all necessary resolutions and comply with all necessary statutory and regulatory procedures in order to authorise the sale of the properties. These steps will not be undertaken until after the completion of the EOI process and it may be necessary for any contract to be conditional on the completion of such compliance matters.
- iii In respects of Councils Hills and Monteiths forests, Council will be retaining ownership of the land for recreational purposes but is interested in receiving EOI on the tree crop cutting rights.

EOI Programme

Activity	New Date (as of 31/01/2017)
Issue request for EOI	
Acknowledgment forms returned	
Meet with EOI participants for briefing, site visit and clarification of any questions (if requested)	08/02/2017
Closing date for EOI participants' feedback/clarifications/questions	20/02/2017
Closing date for receipt of EOI submissions	24/02/2017 (by 4pm)
Evaluation period commences	28/02/2017
Preferred EOI participants identified (if any)	07/03/2017
Evaluation period concludes	14/03/2017
Participants advised of outcome	17/03/2017

Part B – EOI Conditions

1 Interpretation

1.1 In this Part B:

1.1.1 **Contact Person** means Council's EOI information contact person.

1.1.2 **EOI Documents** means this request for EOI and any and all documents and written information issued by or on behalf of Council in relation to this request for EOI.

1.1.3 **Schedule to EOI Conditions** means the schedule of information set out in 'Part C – Expression of Interest Requirements'.

1.1.4 **EOI Conditions** means these conditions as set out in this Part B.

1.1.5 The term 'including' does not imply any limitation.

1.1.6 Any rights reserved to Council may be exercised at the sole discretion of Council.

2 Issue of EOI Documents

2.1 The issue of the EOI Documents is not an offer to enter into a contract.

2.2 The EOI Documents have been provided to assist participants in preparing an EOI. Council does not represent or warrant the completeness or accuracy of the EOI Documents. Participants rely on any information provided in relation to this EOI at their own risk and are responsible for the interpretation of that information. EOI Documents remain the property of Council.

2.3 The Contact Person may be contacted with any questions in relation to this EOI. All questions must be received by the last date for questions set out in the EOI Programme attached to Part A – Background and Indicative Expression of Interest Programme.

2.4 If requested in Part C, participants must acknowledge receipt of the EOI Documents by completing 'Part D – Acknowledgement Form' and returning it to the Contact Person.

3 Ambiguities in the EOI Documents

3.1 Participants may request an explanatory notice where the EOI Documents are ambiguous or unclear. All requests for explanatory notices must be received by the last date for questions set out in EOI Programme in 'Part A – Background and Indicative Expression of Interest Programme'.

3.2 In the absence of an explanatory notice, EOIs may be submitted subject to any reasonable interpretation of any ambiguity or uncertainty in the EOI Documents, provided that the interpretation is expressly stated in writing in the EOI.

4 Submission of EOIs

4.1 EOIs can be submitted electronically via TenderLink (www.tenderlink.com/kaipara) or physically delivered to the Tender Box in Council's Dargaville offices.

- 4.2 For electronic submissions via TenderLink, the online Tender Box will open and close at the time and place stated in the Schedule to EOI Conditions. Council reserves the right to extend the period allowed for the submission of EOIs.
- 4.3 For submissions by physical delivery, the Tender Box will open and close at the time and place stated in the Schedule to EOI Conditions. Council reserves the right to extend the period allowed for the submission of EOIs.
- 4.4 Each EOI must be:
- 4.4.1 Packaged, identified and addressed as set out in the Part C.
 - 4.4.2 Deposited to the correct Response Box before the closing time. However, Council reserves the right to accept late EOIs. Any late EOI in respect of which Council chooses not to exercise its discretion will be returned unopened.
 - 4.4.3 In the format and including the information as required by Part C.
 - 4.4.4 Signed by or on behalf of the participant.
- 4.5 Joint EOIs may be submitted. One of the participants to the joint EOI must be identified as the contact point for all communications with Council relating to the EOI.
- 4.6 The cost of preparing and submitting an EOI, and the cost to the participant of any subsequent negotiations, meetings or discussions, will be borne by the participant.
- 4.7 The participant warrants that all information that it submits:
- 4.7.1 is complete and accurate in all material respects; and
 - 4.7.2 does not breach any third party's rights, including intellectual property rights, and the use of the information in relation to this EOI will not breach such rights.

5 Acceptance of EOI

- 5.1 Council may request any participants to clarify and/or adjust aspects of its EOI and reserves the right to negotiate with any participant(s) with a view to proceeding to a competitive process or negotiate directly with one or more participants.
- 5.2 Short-listing of any participant does not constitute acceptance by Council of that participant's EOI or imply or create any obligations on Council to proceed to a competitive process or enter into any commitment to sell the business to the participant.
- 5.3 Council reserves the right to:
- 5.3.1 accept none or any of the EOIs;
 - 5.3.2 waive any irregularities or informalities in the EOI process;
 - 5.3.3 amend the EOI process or any associated documents;
 - 5.3.4 suspend, withdraw or cancel, in whole or in part, the EOI process at any time;
 - 5.3.5 enter into negotiations with one or more of the participants (short-listed or not);
 - 5.3.6 request additional EOIs; and/or

5.3.7 proceed to the next stage procurement process of its choosing or not proceed to a competitive process at all without incurring any liability to any participant (short-listed or not).

5.4 Any final decision on a sale of the forestry estate will require Council to pass the necessary resolution at a meeting.

6 Submission of response

6.1 The participant warrants that:

6.1.1 all information it submits is complete and accurate in all material respects and is not misleading whether by omission or otherwise;

6.1.2 none of the information it submits breaches any third party's rights, including intellectual property rights, and the use of the information in relation to this EOI will not breach such rights;

6.1.3 it has not withheld any information potentially relevant to Council's consideration of its response, including any actual or potential controversies, disputes or claims involving the participant; and

6.1.4 the foregoing warranties will remain true and correct during the period of any negotiations between the participant and the Council.

7 Notification of acceptance

7.1 Participants will be notified by Council of the outcome of this EOI.

8 Due diligence

8.1 As part of the EOI process, Council and/or its advisors may carry out due diligence investigations of any participant that submits an EOI.

8.2 Each participant agrees to fully co-operate with any due diligence activities (including providing all information which may be requested).

9 No obligations

9.1 No legal or other obligations will arise in relation to the conduct or outcome of this EOI process. For the avoidance of doubt, no process contract will apply to this EOI.

9.2 No legal or other obligations will arise unless and until a formal written agreement for the sale of Council's Forestry Estate is signed by Council and the relevant participant.

9.3 Council and its agents or advisors will not be liable in contract, tort or in any other way for any direct or indirect damage, loss, cost or claim incurred by the participant(s) or any other person in respect of the EOI process, its conduct or outcome.

10 Method of evaluation

10.1 Subject to these EOI Conditions, it is intended that EOIs shall be evaluated based on the information detailed in Part C. However, Council reserves the right to depart from this.

11 Ethics

- 11.1 Participants must complete and submit a Conflict of Interest Declaration if requested.
- 11.2 Council reserves the right to exclude any participant from this EOI process if Council becomes aware that the participant has:
 - 11.2.1 any undeclared conflict of interest;
 - 11.2.2 made any attempt to influence the outcome of the EOI process by canvassing, lobbying or otherwise seeking the support of any officers, consultants, advisors or elected representatives of Council (whether before or after the issue of this EOI);
 - 11.2.3 engaged in any practice that gives or is intended to give one or more participants an improper advantage over any other; and/or
 - 11.2.4 engaged in any practice that is illegal or which Council considers to be unfair or unethical (including collusion and secret commission arrangements).

12 Confidentiality

- 12.1 The EOI Documents are confidential.
- 12.2 Participants must not make any public statement regarding this EOI process without the express prior written consent of Council.
- 12.3 Council may, if it considers it appropriate, require a participant to sign a confidentiality deed before releasing any confidential or commercially sensitive information to a participant. The participant agrees to sign the confidentiality deed, if requested.
- 12.4 Council reserves the right to exclude any participant from this EOI process if Council becomes aware that the participant has breached any of the obligations set out in these EOI Conditions.
- 12.5 Council is subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA). Information provided by participants may be required to be disclosed under that Act.

Part C – Expression of Interest Requirements

Financial return

Kaipara District Council is seeking EOIs that will provide the best return to Council in terms of sale price. It is expected that any sale will be at a value commensurate with long term returns expected from forestry assets of this type.

Acknowledgement

The participant is required to acknowledge receipt of the EOI Documents and to agree to the basis upon which the EOI process is being undertaken by completing the Acknowledgement Form attached as Part D, and returning it to the address set out on the form prior to 4.00pm Thursday 22 December 2016.

The participant will advise on the Acknowledgement Form the name and address of the person(s) authorised to communicate with Council on behalf of the participant in relation to this EOI. The participant acknowledges that Council shall not be obliged to deal with any person(s) other than the person(s) so authorised.

Every EOI submission is made and received by Council on the basis that the participant acknowledges that:

- The EOI Documents do not, and do not purport to, contain all the information that participants may need in making decisions about or relating to their EOI submission; and
- Council is not responsible for any costs or expenses incurred by the participant or any other person in responding to or taking any other action in relation to the EOI Documents.

The information provided in the EOI Documents is based on assumptions made by Council about future forestry returns, which may or may not prove correct in practice. The participant must make, and base, its EOI submission entirely on its own independent assessment of future forestry returns and opportunities.

Any information whatsoever provided by Council to participants has been provided to assist participants in preparing their EOI submission, and Council does not represent or warrant the completeness or accuracy of such information.

Communications, Additional Information and Clarifications

All communications concerning the EOI Documents or requests for clarifications or further information or questions should be directed to the EOI Administrator who is Council's authorised representative.

The EOI Administrator contact details are as follows:

John Burt
Property and Commercial Advisor
Kaipara District Council
Private Bag 1001
Dargaville 0340

Telephone: (09) 439 3123

Facsimile: (09) 439 6756

Email: council@kaipara.govt.nz

Requests for clarification or additional information or questions must be made in writing and submitted to the EOI Administrator.

Form of EOI Submission

Whilst the detailed structure of the EOI submission is not mandated, participants should submit their EOI submission as follows:

- Participants should use easy to read structure, fonts and formatting that assist the evaluators to align submissions to the EOI objectives and evaluation criteria;
- Participants should take time to understand how they can assist Council to meet its objectives and recommends effective use of an executive summary to illustrate their alignment to these objectives; and
- Participants should include an Attributes Summary section demonstrating how their proposal aligns to the evaluation criteria.

Submission of EOI Submissions

EOI submissions will be accepted up until the closing date. EOI submissions must be submitted electronically via TenderLink or by physical delivery to Council.

The address for delivery is:

Kaipara District Council
42 Hokianga Road
Dargaville 0310

There will not be a public opening of EOI submissions.

All EOI submissions received by Council, including any subsequent clarification, will be retained (and may be subsequently destroyed) by Council.

If the EOI is being submitted via TenderLink, only an electronic version is required.

If the EOI is being physically delivered to Council, participants must submit the following copies:

- An original and one identical copy of any EOI submission in hard copy (paper) format; and
- An electronic PDF version of a size and format suitable for email.

If the EOI is being physically delivered to Council, EOI submissions must be enclosed in a sealed envelope endorsed with the following:

- Expression of Interest for purchase of Forestry Estate;
- Kaipara District Council;
- Closing time and date, **4:00pm 24 February 2017**; and
- Participants name(s), contact person details and address for communications.

EOI submissions sent by e-mail may be accepted.

Detailed information to be included in EOI

<p>1 Track Record/Relevant Experience</p>	<p>Evidence of track record/relevant experience will include details of the following:</p> <ul style="list-style-type: none"> • Your previous experiences managing or owning similar forestry operations over the last five years; and • Contact details for referees relating to your relevant experience.
<p>2 Resources</p>	<p>Provide details of available resources including:</p> <ul style="list-style-type: none"> • Key people who will be utilised or available to manage this forestry operation, listing their areas of expertise and skills.
<p>3 Management</p>	<p>Provide details of the participant's management including:</p> <ul style="list-style-type: none"> • Organisation structure; • Roles and responsibilities of key personnel; and • Demonstrate adequate funding to viably undertake the forestry operation.
<p>4 Indicative Value</p>	<p>Provide a non-binding indication of the price range the participant places on the forests.</p>

Participants must ensure that all information that they wish to have considered is included in their EOI submission.

Part D – Acknowledgement Form

Kaipara District Council
Private Bag 1001
Dargaville 0340

Expression of Interest (EOI) for purchase of Forestry Estate

Requested Expression of Interest Acknowledgement Form

- We acknowledge receipt of Council's EOI Documents dated _____
- We acknowledge and agree to conform to the EOI process and accept the basis upon which Council is undertaking the EOI process as set out in the EOI.

We nominate the following person(s) to communicate with Kaipara District Council on our behalf in relation to the EOI and our EOI Submission:

Name of person(s)	
Position of person(s)	
Company	
Address	
Telephone number	
Facsimile number/ email address	

Authorised signatory:

Name of company:

Name of authorised signatory:

Please return this Acknowledgement Form by **4.00 pm Thursday 22 December 2016.**

Part E – Forest Information

Forest	Title	Ownership	Gross title area (ha)	Description and Notes	
				PWA s.40	LGA s.140
Catchment	Total Size		224.9		
	All DP 15441, Lots 1 2 DP 16458, Lots 1 and 2 DP 21119 Blk XIV Tutamoe S.D.	Freehold	156.7	Yes, part	No
	Lot 1 DP 65145 Blk XVI Tutamoe S.D.	Freehold	17.0	No	No
	Opanake 1C Nth 3D1 1C Nth 3D2 Pt 1C Nth Blk XIV Tutamoe S.D.	Leased	51.2	No	No
Whatoro	Opanake 1C Nth 6 1E1 Block XII Tutamoe S.D.	Freehold	136.9	No	No
Monteiths	Lot 2 DP 29964 Secs 12 14 Blk I Kaihu S.D.	Freehold but not for sale	102.6	No	No
Maropiu	Pt Secs 1-2 Block III Kaihu S.D.	Freehold	192.1	No	No
Windust	Lot 8 DP 27260 Blks II III Kaihu S.D.	Freehold	48.1	No	No
Hills	Secs 15 16 Blk I Kaihu S.D.	Freehold but not for sale.	116.2	No	No

Forest	Gross title area (ha)	Tree crop (ha)
Catchment	224.9	116.0
Whatoro	136.9	89.7
Monteiths	102.6	96.7
Maropiu	192.1	158.9
Windust	48.1	39.6
Hills	116.2	86.4

