

Request For Proposal:

Use of the Stewart Log Dump and Associated Water Lots

(Amendment 1: Changes in red.)

Closing Date and Time: November 23, 2020, 10:00 am



PO Box 460,
705 Brightwell Street
Stewart BC V0T 1W0

Request For Proposal (RFP) for the use of the “Stewart Log Dump” and Associated Water Lots

The District of Stewart (the District) has industrial land available for lease (part of District Lot 7318, known as the “Stewart Log Dump” lot, associated Water Lots DL 7317 and DL 7184, collectively known as the “Lot Area”), and invites proposals for its non-exclusive use.

Background

The land-based portion of the Lot Area is approximately 2.9 hectares (ha) within DL 7318, and the water portion of the Lot Area is approximately 32.5 ha, comprised of DLs 7317 and 7184, as shown in Figure 1.



Figure 1: Stewart Log Dump Lot Area (Google Earth 2020)

The Lot Area has been previously used as a log dumping area, as well as a log storage, sorting and scaling area. Proposals can be for a continuation of these uses, or for any other use compatible with the site conditions.

Information related to this Request for Proposal

A site visit is not mandatory, but respondents are encouraged to make themselves familiar with the Lot Area prior to providing a proposal.

The proposal can be for a portion of the Lot Area; however, access to the remainder of the Lot Area must be maintained.

The District of Stewart intends to enter into a Lease Agreement with the successful respondent to this RFP. The expected term of the Lease is three years, with an option to extend the term for an additional three-year period, subject to mutual agreement. However, the District will entertain proposals for different term lengths. A sample lease is provided, which captures the majority of the expectations and style of the Lease Agreement. However, the final form of the lease is to be determined.

The District of Stewart expects the Lease Agreement to include rent, coverage of government fees and taxes, and a usage or “through-put” fee if materials are being transferred through the Lot Area.

- Note that the Basic Rent of the Lot Area is expected to start at approximately **\$0.11/** square foot for the land portion, and **\$12,000.00** for each Water lot (or portion thereof).
- Government fees and taxes related to the Lot Area will be included as Additional Rent. The 2019 taxes for all of DL 7318 were approximately **\$117,795.00**; however, no more than 50% of these taxes will be attributable to the Lot Area. Government fees for DLs 7317 and 7184 were **\$16,555.00**, and taxes for DLs 7317 and 7184 were estimated at **\$63,000.00**.

The land portion of the Lot Area overlaps with area leased to the Stewart World Port, and includes a roadway that is used for access to the World Port facilities to the south of the Lot Area. The Proposal cannot restrict or interfere with continued access to the Stewart World Port.

The Lot Area includes log skids, which are grouped into three (3) Groups, as per Figure 2. Group A consists of the most northerly skids (seven skids in 2019). Group B consists of the skids directly south of Group A (three skids in 2019), and Group C consists of the remaining skids south of Group B (three in 2019). If log dumping is to be a proposed activity on the Lot Area, the Proposal needs to indicate to which Group(s) it applies.

Use of the Lot Area must be compatible with all applicable environmental and safety legislation, and District of Stewart Bylaws. Appropriate riparian, estuarine, and marine management will be expected. If debris or waste materials are expected as a result of the proposed use of the Lot Area, this will have to be identified, and appropriate management will be required and included in the Management Plan (see below).

Existing infrastructure on the Lot Area (e.g. roadways, log skids, pilings, etc) is to be appropriately maintained. Any improvements on the Lot Area will become the property of the District unless otherwise specified.

Any liabilities (safety or environmental) created through the use of, or modifications to, the Lot Area will be the responsibility of the proponent.

A financial security will be required (e.g. deposit, bond, etc); this security will not replace the obligation to deal with any liabilities, but will be available to the District as a penalty in the event that liabilities are not adequately addressed by the Lessee.

A Management Plan will be required, prepared by a qualified professional. Sections 2.0 through 6.0 of the BC Government “*Management Plan Application Guidance Document*”¹ provide general guidance for the contents of a Management Plan.

Finally, use of local supplies, suppliers and sub-contractors is strongly encouraged.

Figure 2: Log Skid Groups at the Stewart Log Dump (Google Earth 2020)



¹ https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/natural-resource-use/land-water-use/crown-land/management_plan_guidance_document.pdf

Required content

Content requirements for responses to this RFP are:

1. A covering letter including the Proponent's legal name and address, indicating willingness to enter into a Lease Agreement as per this RFP document and the Proponent's proposal, signed by a duly authorised signatory of the Proponent.
2. A Proposal document, indicating
 - a. Use. Proposed use(s) of the Lease Area, plus
 - i. Description of that portion of the Lot Area required for the proposed use(s),
 - ii. indication of the potential for other users or occupiers to be able to use a portion of the Lot Area, and
 - iii. Commitment to provide access to (or through) the remainder of the Lot Area, as necessary.
 - b. Term. Provision of
 - i. A commitment to a term of three (3) years,
 - ii. Interest in the possibility of an one-term extension, or
 - iii. Alternatives to the above.
 - c. Fees. Provision of
 - i. A commitment to payment of a Basic Rent and an Additional Rent
 - ii. A commitment to payment of a through-put fee in addition to the Rents described above, and that the fee will to become immediately due and payable within **60 days** of entry of the through-put material onto the Lot Area;
 - if the through-put is of logs or woody materials, said fee is to be at least equivalent to **\$1.00 per cubic metre** of logs or woody material;
 - iii. A description of the process for measuring, reporting, and payment of the through-put fee, recognising that this process must be independently verifiable;
 - if the through-put is for logs, the District will consider the use of truck loads or bundle counts in the process;
 - iv. An alternative to the through-put fee if use of the Lot Area is not limited to logs or woody material; **or**
 - v. **Alternative pricing proposal(s) for items (i) and/or (ii) above.**
 - d. Benefits. Description of benefits that will accrue to the District of Stewart as a result of the proposed use.
 - i. Financial. E.g. any benefits proposed to be payable to the District in addition to rents and fee payments.
 - ii. Social. E.g. direct jobs created, extent of use of local materials, suppliers, or sub-contractors.
 - iii. Other. The Proponent may propose additional financial, social, or other benefits.

- e. Impacts. Description and considerations of environmental, community, or individual impacts:
 - i. Short-term impacts and proposed mitigations
 - ii. Long-term impacts and proposed mitigations
- f. Management Plan and Policies. Commitment to provide
 - i. A Management Plan acceptable to the District of Stewart, i.e. substantially consistent with Sections 2.0 through 6.0 of the BC Government “*Management Plan Application Guidance Document*”,
 - ii. Upon request by the District of Stewart, a Traffic Management Plan that addresses the potential for multiple users on the Lot Area and for access to the Stewart World Port.
 - iii. Policies and procedures, whether operational or administrative, related to implementation of the Management Plan and/ or mitigation of the impacts noted above.
- g. Lease Agreement.
 - i. Confirmation of acceptance in principle of the terms of the draft Lease Agreement provided with this RFP, plus
 - ii. Discussion of topics that may result in possible additions or deletions to the draft Lease Agreement.
- h. Insurance. Commitment to have and maintain insurance coverages necessary to carry out the proposed use(s), e.g.:
 - i. Worksafe
 - ii. Errors and Omissions (minimum \$2 million)
 - iii. General Comprehensive (minimum \$5 million, District of Stewart to be a named additional insured), and
 - iv. Other coverages, as related to the proposed use (e.g. Firefighting).
- i. Security. Commitment to
 - i. Provide financial security appropriate to the proposed use of the Lot Area (amount to be determined, but expected to be between **\$50,000.00 - \$75,000.00**), and
 - ii. At the end of the Lease Agreement, or in the event of a suspension of use of the Lot Area, leave the Lot Area in a condition similar or better than that at the start of the Lease Agreement.
- j. Current information. Provision of current information:
 - i. Full legal name and address
 - ii. Business number
 - iii. WorkSafe number and any safety certifications
 - iv. Insurance provider(s), current coverage(s) and expiry date(s), and
 - v. Contact name and information for dealings related to this Proposal.

Questions and Clarifications

Any questions with respect to this RFP may be sent by email, with “*Question regarding DOS Stewart Log Dump RFP*” in the subject line, to Rick Brouwer (rbrouwer@westlandresources.ca) up to four days prior to the closing date for this RFP. The questions and their answers will be posted to BC Bid.

Submission of Responses to the RFP

Responses to this RFP are to be received at the District of Stewart no later than **10:00 am** on the Closing Date of **November 23, 2020**. Proposals may be submitted in hardcopy format, in a sealed envelope labelled “*District of Stewart Log Dump RFP Submission*” delivered to PO Box 460, 705 Brightwell Street, Stewart BC V0T 1W0, or may be emailed to Jennifer Larson (finance@districtofstewart.com) in .pdf format, with “*District of Stewart Log Dump RFP Submission*” in the subject line.

Evaluation and Response

The District of Stewart will evaluate the Responses to this RFP within two weeks of the Closing Date and identify up to three front-runners, based on:

1. Clarity of the Proposal
2. Completeness of the proposal
3. Proposed Use
4. Benefits
5. Description of Impacts and Mitigations
6. Any proposed alternatives

The District may follow up with the front-runner(s) for additional clarifications prior to entering into a Lease Agreement. Nothing prevents the District of Stewart from entering into multiple Lease Agreements as long as the use(s), or location of the use(s), are not in conflict.

The District of Stewart is not obligated to enter into a Lease Agreement with anyone If, in the sole opinion of the District of Stewart, the responses to this RFP are unsatisfactory,

Attachments:

- *Sample (Draft) Lease*
- *Management Plan Application Guidance Document*