

## **Standing Sales with Reserved Timber Element** **RTE Question and Answer Sheet**

### **1. What is RTE ?**

RTE (Reserved Timber Element)

- The Forestry Commission has retained the ownership of a quantity of timber within the Standing Sale Parcel. This quantity of timber is called the RTE.

### **2. Is RTE any kind of Timber?**

- Essentially RTE is timber from the poorer quality element of the stand (i.e. the chipwood).

### **3. Will the Forestry Commission pay for the RTE within the Sale?**

- No. The costs of harvesting the RTE and extracting to roadside need to be incorporated within the overall price per tonne offered for the standing sale.

### **4. How much RTE will there be in each Sale?**

- This will be identified in the Sale parcel details and will vary depending on the quality of the standing timber.

### **5. What is the specification of RTE?**

- This is described in the contract schedule and will also be discussed at the pre-commencement meeting, as will the locations that the RTE is to be extracted to. The RTE needs to be stacked separately from the purchasers' own timber.

### **6. Is the RTE quantity a fixed amount or is there flexibility to under/over produce?**

- As a general principle the quantity of RTE is specific. FC have estimated the quantity of chipwood that the site will produce and allocated a proportion of this as RTE. The standing sale purchaser will market the rest.
- However, for customers with multiple RTE standing sale contracts, the FC may adopt a rolling approach to RTE output across the range of contracts i.e. individual contracts may under or over produce. This approach is at the discretion of the FC and it is important that the full total quantity is achieved.
- In light of any RTE shortfall, the Forestry Commission reserves the right to be able to utilise similar specification type material from the site to meet the full RTE quantity required.

### **7. How will the quantity of RTE be measured?**

- The weight of the RTE will be recorded on a load by load basis over a weighbridge as approved by the FC. The weighing of each load will be at the FCs expense and the FC will provide the purchaser with a summary of weights from the site.

### **8. How long before the RTE is despatched off site?**

- It is envisaged that the RTE will be despatched off site within 6 weeks of it being extracted to roadside. As with the standard standing sale agreement, if timber is not despatched within that period then agreement can be made as to stack measurement.

### **9. When will the RTE be required?**

- The RTE will need to be produced at an even weekly rate and within the specified contract period for each site.

### **10. What happens if a load of produced RTE is rejected by Sembcorp?**

- RTE which does not meet the required specification, may be rejected on site.
- Rejection following despatch is subject to a procedure agreed with Sembcorp and the purchaser will abide by the decision of that procedure.
- The purchaser will be responsible for the sale of any rejected material and will be required to replace that material to meet the required RTE quantity.

## **Schedule 1 of Contract FXXXXX – XXXXXXXXXXXXXXX**

### **10. For the Reserved Timber Element (RTE)**

#### **Quantity**

The Forestry Commission has retained the ownership of **XXX tonnes** of timber from this parcel; all other material is for the purchaser to sell separately.

If the RTE is not met the Commission claims the right to material, of similar specification, produced on site in order to meet the RTE.

The weight of RTE under this agreement shall be the net weight of RTE over a weighbridge approved by the Commission. The weighing of each load shall be at the FC's expense and the FC will provide the purchaser a copy of the weight ticket a minimum of 10 days after despatch.

#### **Location**

This RTE is to be produced (to the specifications as stated below) and extracted to points at roadside that are either specified on the location map or agreed at a pre-site meeting. The timber will be stacked (in accordance with standard contract conditions) separately from the purchasers own timber.

#### **Timings**

Time is of the essence and there is a strong presumption that all timber, but particularly the RTE, will be produced within the published contract period and at an even weekly rate. Communication on rates of production will be essential throughout the contract period. FC will endeavour to despatch the RTE within 6 weeks of its extraction to roadside subject to an even extraction profile.

#### **Specifications**

Species - Any

Diameter - Minimum 6cm to a Max 40cm including butt flares.

Length - To be agreed at pre-start meeting but likely sizes will be 1.8-2.2m OR 2.8-3.1m with different length bands to be stacked separate.

Quality - Cleanly snedded/debranched, reasonably straight, no forks. Dead but not rotten material is acceptable.

#### **Risk assessment**

FC manager will agree specific onsite risk assessment for the haulage of the RTE from the merchants standing sales site at the pre-site meeting.

#### **Rejected Loads**

RTE, which does not meet the specifications above, may be rejected on site. Rejection following despatch is subject to a procedure agreed with Sembcorp and the purchaser will abide by the decision of that procedure.

The Purchaser will be responsible for the Sale of rejected material and associated haulage costs and will replace that material in order to meet the RTE quantity.

## **RTE Condition of Sale**

**Sales Parcel Details.** (Standing Sales with Reserved Timber Element)

### **Catalogue details - Condition of Sale.**

Standing Sales with Reserved Timber Element (RTE)

These conditions apply to **Lot XXX – XXX** within this sale event.

The FC offers the above lots on a price per tonne basis with the retention of ownership of a quantity of timber to the specification as detailed in the Contract schedule, delivered to and stacked at specified / agreed points at forest roadside. The quantity thus retained is detailed under the lot description in the catalogue.

*Example of Sales with Reserved Timber Element (RTE)*

*Lot x is a 4500t standing sale with 500t of timber reserved.*

*Purchaser is actually buying 4000t of the total quantity on site, yet the price per tonne for that timber will include the harvesting and extraction to roadside of the 500t of reserved timber.*

*N.B. A single price per tonne is required for the lot.*

Prospective customers for any of these lots are advised to contact the Operations Manager at Yorkshire FD to discuss the requirements and see a worked example.