

LESYČR



**Presentation of Lesy České republiky, s.p.
(Czech Forest State Enterprise)**

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LESYČR



General overview

Corporate Profile

The company has been established as a state enterprise by Memorandum of Association of the Ministry of Agriculture in 1992.

Owner: 100 % state, Czech Republic

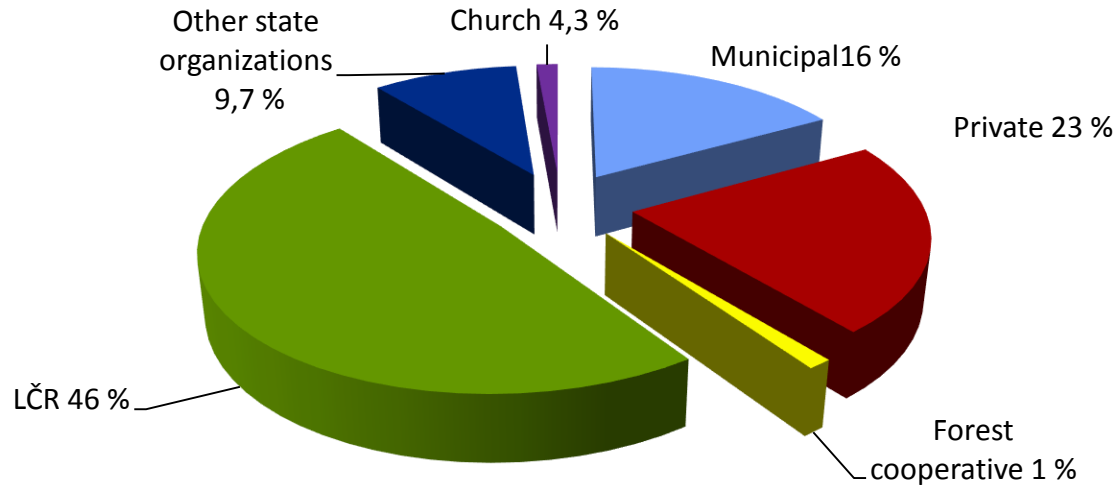
Primary Business Activities:

- direct management of forests and forest activities ;
- management of state-owned movable and immovable assets;
- optimisation of protective forest functions, etc.

Main characteristics:

| | |
|--|--------------------------|
| Forest area in the Czech Republic : | 2.6 M ha |
| Forest area managed by LCR: <i>(with Poland and Romania biggest admin. in Europe)</i> | over 1.2 M ha |
| Annual wood production (harvest): | 7.5 - 8 M m ³ |
| Reforestation: | 14,000 ha per year |
| Length of managed water streams: | 38,000 km |

Market position of the company



Annual wood production in the Czech Republic

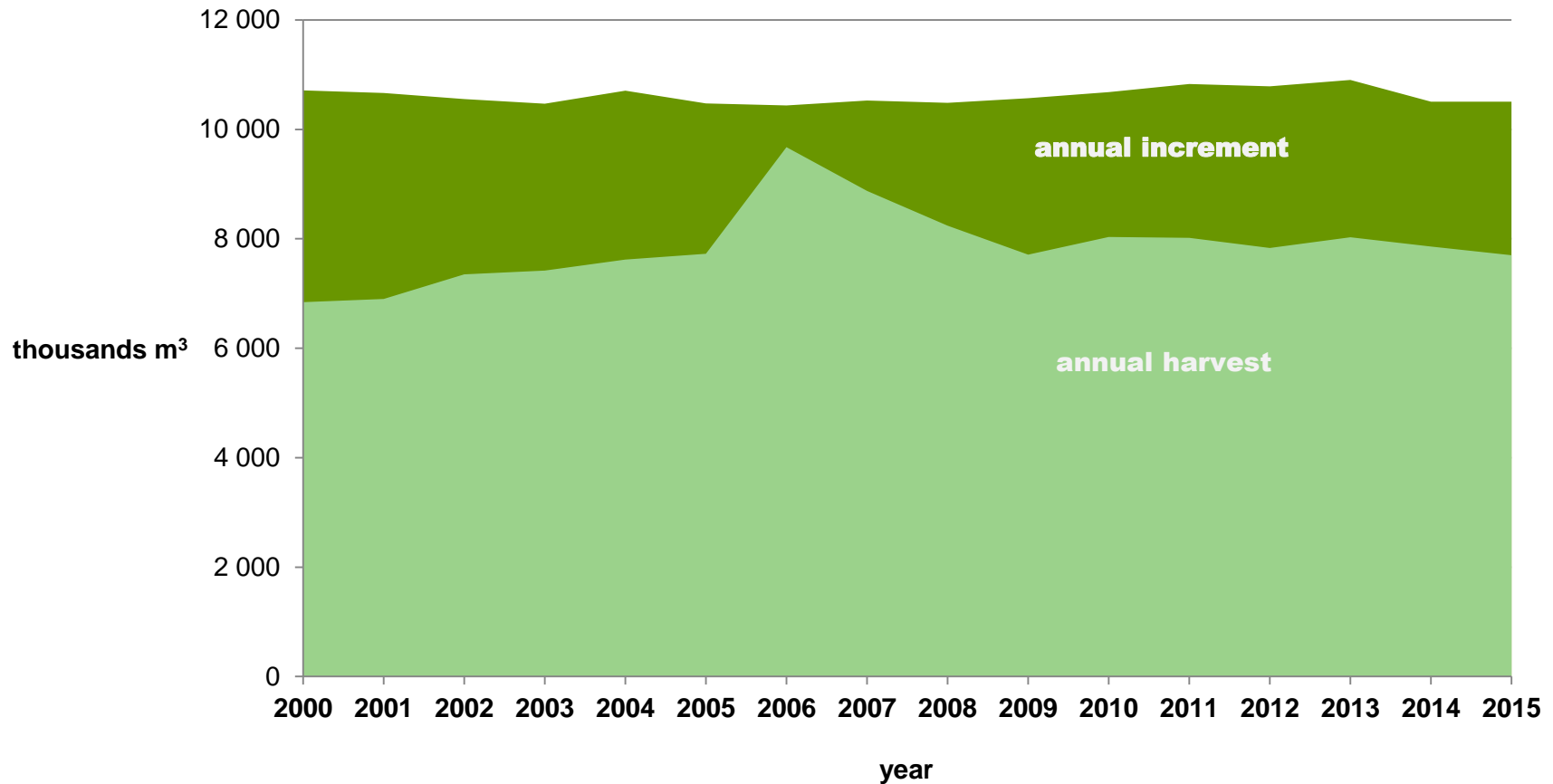


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Production

Sustainable timber production and forest management



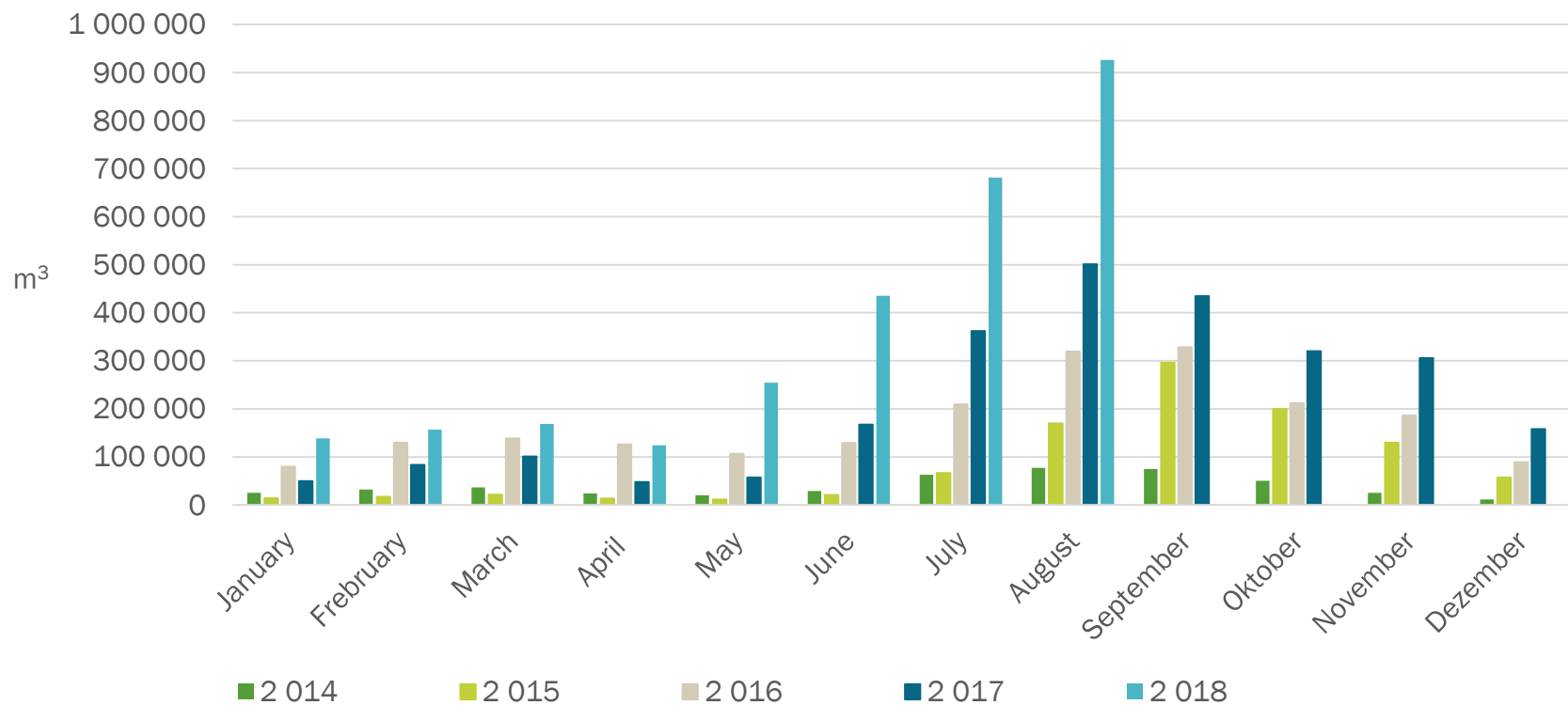
Key issue = bark beetle

- ❑ In 2018, the negative impact of drought and the dynamic growth of the bark beetle population in the Czech Republic
- ❑ The outbreak of bark beetle in whole of the Czech Republic, regardless of a region and ownership
- ❑ 99% of harvests are not intended
- ❑ Insufficient capacity on the market to harvest infested timber (i.e. logging machinery and personnel)
- ❑ In 2019 total harvest level is expected 14 M m³ due to bark beetle infestation (normal harvest level is 8 M m³)

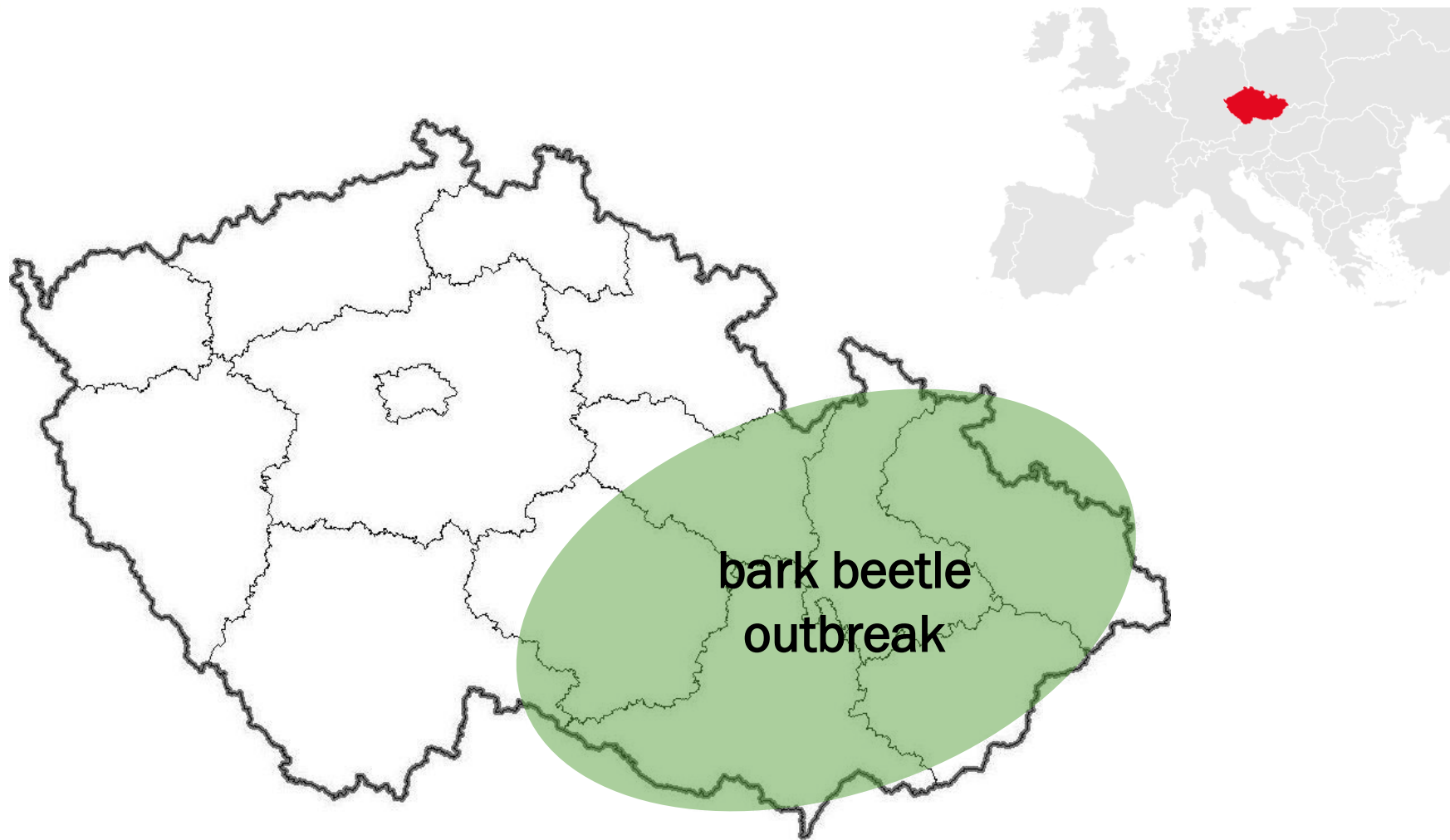
The dynamics of bark beetle development at Lesy ČR

The dynamics of bark beetle development at Lesy ČR
harvesting for month in m³

2014 – 2018



Main harvesting areas in 2019 due to bark beetle



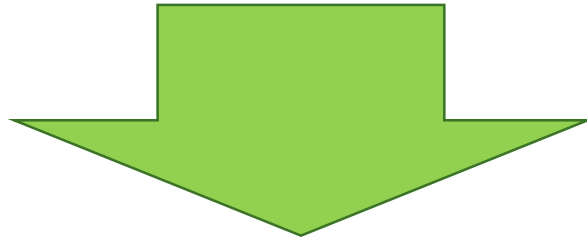
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Business potential

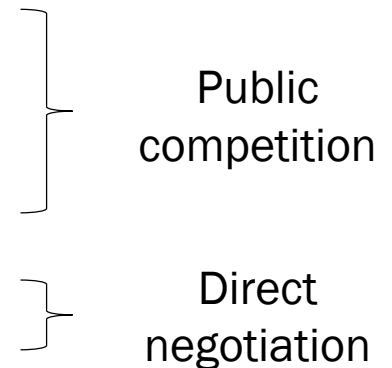
Areas for business

8 M m³  14 M m³



3 types of potential cooperation:

1. Harvesting and forwarding services
2. Auctions for standing wood (harvesting and overtaking the wood)
3. Buying the wood (spot and long term contracts)



Public competition

- ❑ Harvesting capacities (services) must be competed in accordance with the **Public Procurement Act!**

- ❑ Competition takes place in electronic Marketplace E-ZAK = **Dynamic Purchasing System** (more information at <https://lesycr.cz/o-nas/verejne-zakazky/>)

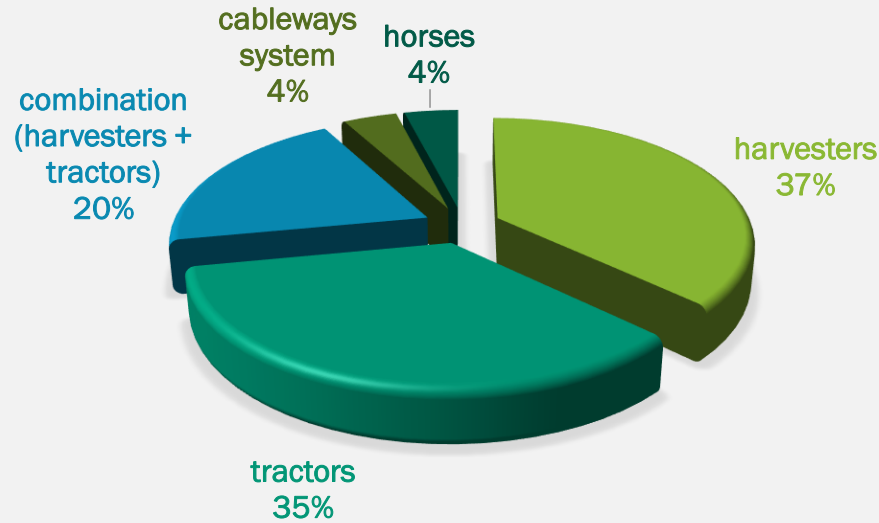
- ❑ Registration (creating an account) needed (<https://zakazky.lesycr.cz/regitrace.html>)
 - Guide book for registration and its procedures (list of required documents for registration) will be accessible in English, German
 - registration, communication and offers are in Czech
 - after registration companies will be automatically notified about new offers in area of their interest via e-mails

- ❑ Cooperation with the **Chamber of Commerce** in your country is **highly recommended!**

Harvesting – basic information

- ❑ One offer (harvesting block): from 3 to 12 thousand m³
- ❑ Estimated number of new required contracts in 2019: 1000+

Suitable harvesting technologies:



Required documents for the registration in E-ZAK

- ❑ Unblemished criminal record
- ❑ Declaration, that the supplier has in the Czech Republic **and** in the country of its registered office:
 - no tax unpaid balance (for CZ confirmed by the Financial Office for the Capital City of Prague)
 - no penalty for public health insurance (for CZ - honesty declaration)
 - No penalties for social insurance (for CZ confirmed by the Prague Social Security Administration)
- ❑ Confirmation, that the supplier has not declared bankruptcy in his home country



After providing all required documents supplier will be approved for participation in competition (DPS)

An example of harvest offer in Dynamic Purchasing System

Veřejná zakázka: Výzva k podání nabídek č. 17 v kategorii 2 - výroba dříví na OM komplexní četou na LS Rožnov, revír Rožnov

el. úkony audit

Basic information about public offer

Due-date for the offer

Offer description, details are in a file attached to the offer

| Informace o veřejné zakázce | |
|--|--|
| <p>DBID: 10975 Systémové číslo VZ: P18V00001201 Evidenční číslo zadavatele: 9/2018/038 Dle zákona: č. 134/2016 Sb. Evidenční číslo ve VVZ: Z2018-018945 Dynamický nákupní systém: Provádění těžebních činností (DNS) Kategorie DNS: 2. Výroba dříví na OM komplexní četou Datum zahájení: 27.09.2018 13:34</p> | <p>fáze zadávacího řízení</p> <p>Příjem nabídek Dodavatelé mohou podávat nabídky (dle druhu zadávacího řízení všichni, nebo pouze vyzvaní).</p> |
| <p>Nabídku podat do: 09.10.2018 08:00</p> <p>Název, druh veřejné zakázky a popis předmětu</p> <ul style="list-style-type: none">Název: Výzva k podání nabídek č. 17 v kategorii 2 - výroba dříví na OM komplexní četou na LS Rožnov, revír RožnovDruh veřejné zakázky: Služby <p>Stručný popis předmětu: Provádění těžby, manipulace a přibližování dříví komplexní četou, tedy pomocí kombinace několika výrobních prostředků. Tato kategorie zahrnuje následující činnosti: - těžbu dříví - rozřezání neuzitkové hmoty nehroubí vztahující se k těžené dřevní hmotě do maximálně dvoumetrových sekcí - druhotování a manipulaci - vyvezení vytěženého dřeva na lokalitu OM, roztřídění dle vyrobených sortimentů a ukládání dříví do skládek.</p> | <p>Zadavatel</p> <ul style="list-style-type: none">Úřední název: Lesy České republiky, s.p.IČO: 42196451Poštovní adresa: Přemyslova 1106/19, Nový Hradec Králové, 500 08 Hradec KrálovéNázev oddělení: Odbor zadávání veřejných zakázekId profilu zadavatele ve VVZ: 516045 <p>Adresa kontaktního místa Nabídky, resp. žádosti o účast podávat na: prostřednictvím elektronického nástroje E-ZAK (https://zakazky.lesyacr.cz)</p> <p>Kontakt zakazky@lesyacr.cz</p> |
| <p>Postup zadání, předpokládaná hodnota</p> <ul style="list-style-type: none">Postup: zakázka v DNS zahájená výzvouRežim veřejné zakázky: nadlimitníPředpokládaná hodnota: 3 157 200 Kč bez DPH | |

Lesy CR Identification

Structure of the offer – production of harvested wood

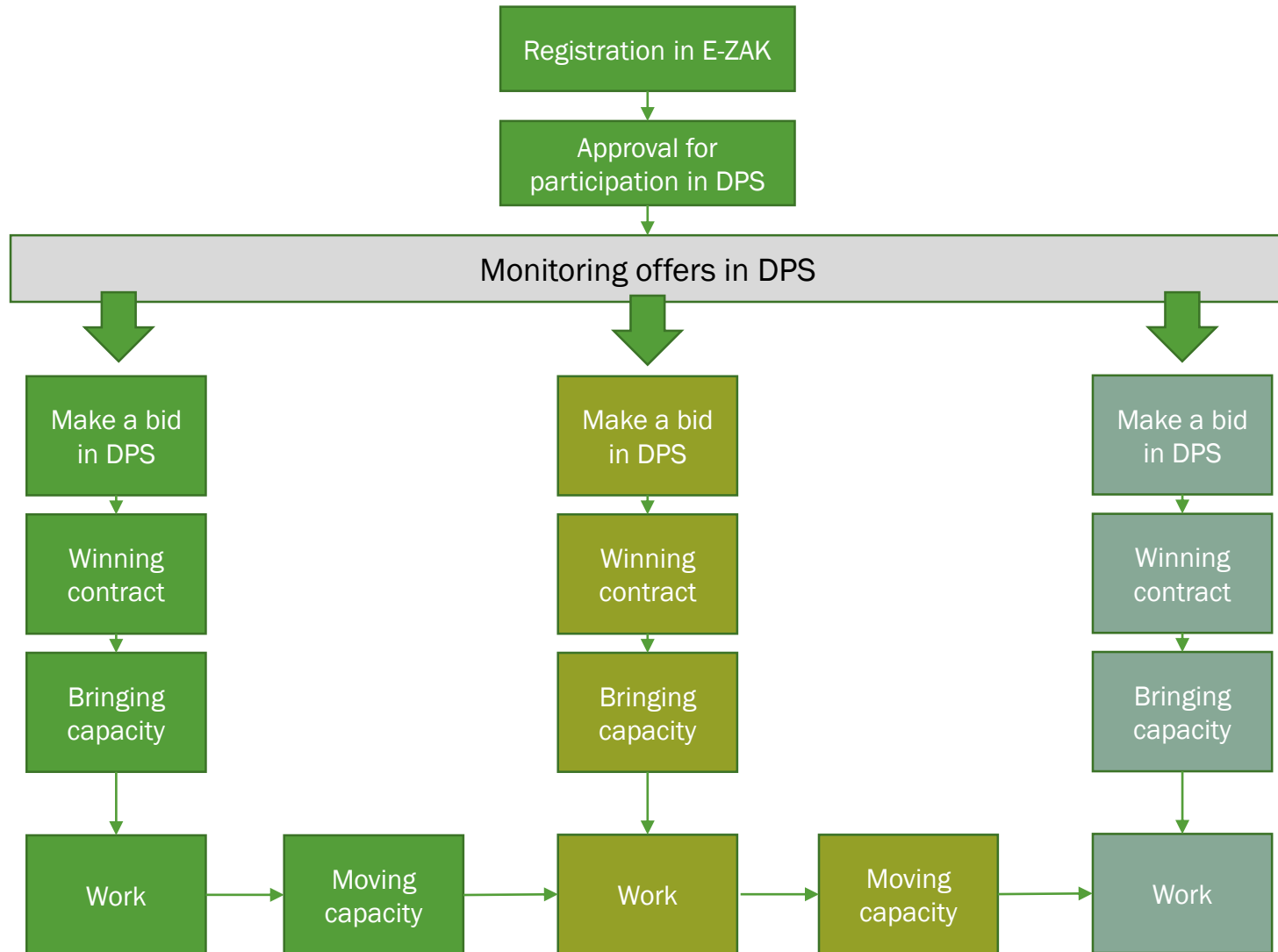
Call for tenders No 22 in Category 1 - Production of harvester wood on Forest Plant Boubín

| | Stand | Average extraction distance (m) | Tree species | Group of average volume | Max. number of assortments | Volume (m ³) | Maximum Acceptable Unit Price CZK / m ³ | Unit offer price in CZK without VAT / m ³ | Total offer price | Comment |
|------------------------------------|------------------------------|---------------------------------|---------------|-------------------------|----------------------------|--------------------------|--|--|-------------------|----------------------------|
| 1 | see the text above the table | 600m | SM (JD,BO,MD) | -49 | 7 | 1500 | 375 | 351 | 526 500 Kč | CTL (harvester-forwarders) |
| 2 | see the text above the table | 600m | SM (JD,BO,MD) | -99 | 7 | 4500 | 315 | 296 | 1 332 000 Kč | CTL (harvester-forwarders) |
| 3 | see the text above the table | 600m | SM (JD,BO,MD) | 100+ | 7 | 3000 | 305 | 280 | 840 000 Kč | CTL (harvester-forwarders) |
| Total estimated quantity of timber | | | | | | 9000 | Total offer price | | 2 698 500 Kč | |

completed by the harvesting company

Species:
spruce (SM), fire (JD), pine (BO), larche (MD)

Further steps (how it should work)



Buying the wood

Offer

- conifer wood from barkbeetle calamity,
- final assortments of saw timber and pulpwood quality (usually III.B/C, III.KH, III.D)
- Certifications PEFC, C-o-C

Legal frame

- Long term contract (preffered) including specification into the level of technical parameters (quality, diameter...), revised quaterly (volume, price)
- Expected annual contract volume 10 - 300 thous. m3

Logistics

- Paritas according to INCOTERMS 2010: EXW, FCA (usually railroad – buyer must ensure vagoons)
- Wood acceptance – road side (invoice issued by Lesy CR) or electronic acceptance on buyer side (self-invoicing)

Buying the wood - procedures

1. Send request (demand) including technical specification (czech, english or german) to email wood@lesy-cr.cz. Contact person on buyer side needed.
2. Confirmation of receiving demand and communication about details of request
3. Negotiation and signing a deal
4. Supply date confirmations
5. Supply and invoicing

Electronic communication and data transfers preferred.

Basic Financial terms

Harvesting and forwarding services

- Payment in CZK
- Invoice due-date 21 days
- Billing monthly, the invoice is issued by the supplier (harvester firm)

Auctions for standing wood (harvesting and overtaking the wood)

- Payment in CZK
- Pre-paid after winning an offer
- Wood acceptance at the road side

Buying the wood (spot and long term contracts)

- Payment in CZK/EUR
- Invoice due-date 21 days
- Level of payment guarantee according to buyer rating (invoice x bank guarantee x prepaid)

Important contacts and links

<https://zakazky.lesy-cr.cz/registrace.html> - registration to DPS

<https://lesy-cr.cz/o-nas/verejne-zakazky/> - Guide book for registration (site bottom)

info@lesy-cr.cz – contact email for questions of companies providing harvesting services

wood@lesy-cr.cz – contact email for wood trading companies regarding buying the wood



THANK YOU FOR YOUR ATTENTION !

Ing. Karel Buchta, Ph.D.

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