



DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

Notice is hereby given that bids will be received by the Unit Manager,
ESCANABA MANAGEMENT UNIT, for certain timber on the following described lands:

FLYING SOLO / T34N, R29W, SEC. 01, NWSW, SWSW.
T34N, R29W, SEC. 02, NENW, SENW, NESW, NENE, SENE.
T34N, R29W, SEC. 02, SWNE, SE1/4.
MENOMINEE COUNTY (Appr. \$69,508.70)

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SALE DATE AND TIME: 4:00 p.m. on June 02, 2009.

ESCANABA

BID INSTRUCTIONS (Ver. 06/23/2008):

1. Bid Location, Date, and Time: Bids must be received by the Unit Manager, Escanaba Management Unit, 6833 Hwy 2, 41 & M-35, Gladstone, MI 49837, no later than 4:00 p.m. on June 2, 2009. For further information concerning this sale, contact the Unit Manager at 906-786-2354.
2. Bidder's Qualifications: Purchaser shall obtain workers compensation insurance to cover claims under Michigan's Worker's Disability Compensation Act of 1969 or similar employee benefit act of any other state applicable to an employee. If all or part of a timber sale was prepared by a private contractor, that contractor and that contractor's company are not permitted to bid on the timber sale contract. Bids will not be accepted from individuals or companies appearing on the DNR/FMFM No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.
3. Preparation of Sealed Bids: Bids shall be manually signed in ink; bid prices must be entered for each species and product in the Bid Price column for all material subject to bidding; and all fill-in blanks must be completed. If erasures or other changes appear on the forms, each erasure or change must be initialed by the person signing the bid.
4. Submission of Sealed Bids: Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) that it is a "Bid for Timber," and (b) the sale name or number, and (c) the date and time of bid opening as shown in the prospectus. Bids received after the time specified in the sale prospectus are late bids and will be rejected.
5. Public Opening of Sealed Bids: If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.
6. Award of Contract: Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.
7. Down Payment: The Bidder to whom award is made must make a down payment within 21 days of the sale award. The amount of the down payment will be calculated as shown in the Bond and Payment Schedule of this prospectus. Only cash may be used to meet this requirement.
8. Performance Security: As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.
9. Timber Sale Contract: Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/dnr. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 1 year. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove the included timber by the termination date.

10. Disclaimer of Estimates and Bidder's Warranty of Inspection: Before submitting this bid, the Bidder is advised and cautioned to inspect the sale area, review the requirements of the sale contract, and take other steps as may be reasonably necessary to ascertain the location, estimated volumes, construction estimates, and operating costs of the proposed sale. Failure to do so will not relieve the Bidder from responsibility for completing the contract.

The Bidder warrants that this bid is submitted solely on the basis of the Bidder's examination and inspection of the quality and quantity of the timber offered for sale and the Bidder's opinion of the value thereof and the costs of recovery. No reliance should be placed on the State of Michigan's estimates of timber quality, quantity or costs of recovery. Bidder further acknowledges that the State of Michigan: (i) expressly disclaims any warranty of fitness of timber for any purpose; (ii) offers this timber as is without any warranty of quality (merchantability) or quantity and (iii) expressly disclaims any warranty as to the quantity or quality of timber sold.

11. Certification and Chain-of-Custody: Unless otherwise indicated in the contract under section 7 - Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

REBECCA A. HUMPHRIES
Director

FLYING SOLO (021-09-01)

A timber sale contract for this LUMP SUM SEALED timber sale will be awarded the responsible bidder offering the highest sealed bid price. Bids must be at or above the following appraised price for each species:

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
RED OAK	130.80 MBF	\$ 140.00/MBF
WHITE PINE	123.80 MBF	\$ 92.00/MBF
PULPWOOD		
RED OAK	980.00 CORDS	\$ 18.50/CORD
Q. ASPEN	377.00 CORDS	\$ 28.20/CORD

In addition, the successful bidder agrees to purchase the following species at the indicated appraised price:

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
RED PINE	35.20 MBF	\$ 104.00/MBF
PULPWOOD		
WHITE PINE	153.00 CORDS	\$ 22.00/CORD
RED PINE	23.00 CORDS	\$ 22.00/CORD
JACK PINE	16.00 CORDS	\$ 27.65/CORD
MIX HARDWD	115.00 CORDS	\$ 26.70/CORD

*The volumes are statistically estimated within plus (+) or minus (-) 9.08 percent. These estimated volumes are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

1. A bond in the amount of \$ 4,000.00 to insure faithful performance of the conditions of the contract, will be deposited by the successful bidder within 21 days of the sale award.
2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
3. Total payment may be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

<u>PAYMENT UNIT NUMBER</u>	<u>PERCENT OF TOTAL SALE VALUE</u>
1	03%
2	15%
3	21%
4	04%
5	05%
6	12%
7	14%
8	11%
9	11%
10	04%

4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on March 31, 2012.

Sale Specific Conditions & Requirements

Sale Name: Flying Solo Sale Number: 33-021-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary and payment unit boundaries are marked and identified by red and yellow paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Do not cut painted boundary line trees unless also marked with orange paint. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid for.

2 - Timber Specifications

2.1 - Included Timber

2.1.2 - Clearcut unit(s) w/o unmerchantable trees (12/08)

Within Payment Unit(s) 10, cut all species of trees which meet minimum piece specifications in 2.2 Utilization; except pine and trees marked with green paint.

2.1.3 - Cut tree marked unit(s) (12/08)

Within Payment Unit(s) 4 and 5, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. Also within unit 4 cut all aspen, jack pine, birch, balsam, and maple. And within unit 5 also cut all aspen, jack pine, and maple.

2.1.7 - Leave tree marked unit(s) (12/08)

Within Payment Unit(s) 1, 2, 3, 6, 7, 8, and 9, all species of trees, which meet minimum piece specifications in 2.2 Utilization, are designated for cutting ; except trees marked with green paint above and below stump height. Within units 6, 7, 8, and 9 all maple greater than 3 inches in diameter must also be cut. Also, all oak less than 5 inches must be retained in unit 1.

2.1.11 - Description of timber note (2/04)

Note that the majority of the oak within this sale is red oak, but there is also some pin oak. The red oak sawlog volumes contain a very small amount of white oak within it, along with some pin oak. The red oak pulpwood volume contains some pin oak, white oak, and dead oak.

2.2 - Utilization

2.2.4 - Skidding length (12/08)

Skidding of lengths over 17 feet is not permissible unless approved by the Unit Manager or his/her representative.

3 - Payments

3.3 - Pre-measured Sales

Sale Name: Flying Solo Sale Number: 33-021-09-01

3.3.4 - Dividing payment units (12/08)

Payment unit(s) that have a value over \$14,000 may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

4 - Transportation

4.1 - Construction

4.1.8 - Road work (1) (8/07)

The following road work is required: two new 12" X 24' steel culverts must be installed by the contractor on the Oak Hill road. The location is shown on the map. These culverts will need a minimum of 12 inches of gravel spread over them. In addition to the culverts being installed 200 cubic yards of gravel must be hauled and spread by the contractor on the Oak Hill road. The fill over the culverts is included within the 200 yards. There is approximately a 1.5 mile stretch of road that needs fill in some holes that have developed. All road work needs to be completed prior to operations beginning on the sale. The Oak Hill road must be leveled when the sale is completed.

4.2 - Maintenance

4.2.1 - Hauling restriction (12/08)

Hauling may be restricted on forest roads by the Unit Manager or his/her representative. The restriction may occur during wet weather conditions.

5 - Operations

5.1 - Notification

5.1.4 - Post-sale conference (2/04)

A post-sale conference on site between the Purchaser and sale administrator is required 5 days prior to the completion of active logging operations to determine clean-up and repair of landings, road edges, and the fulfillment of other contract specifications.

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.2 - Slash Removal

5.2.1.2.1 - Slash removal, right-of-way (12/04)

All slash must be removed at least 10 feet from the cleared right-of-way of forest roads.

5.2.3 - Operating Restrictions

5.2.3.4 - Oak wilt restriction (12/08)

Within Payment Unit(s) 4, 5, 6, 7, 8, and 9, unless changed by written agreement, cutting and skidding are not permitted during the period of April 15 to July 15. This is necessary to reduce the spread of oak wilt. For more information, contact the Unit Manager or his/her representative.

Sale Name: Flying Solo Sale Number: 33-021-09-01

5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (12/08)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads which is 12 inches or greater in depth and 50 feet in length. In addition, operations are to cease immediately if equipment and weather conditions result in rutting on skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the weather conditions have changed and/or the risk of rutting has decreased.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (12/08)

The purchaser is responsible for posting and maintaining caution signs on the Oak Hill road prior to beginning operations. The road must be posted 200 feet from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs for use on State-owned land.

7 - Other Conditions

7.3 - Contract Modifications

7.3.2 - Modification for oak wilt (2/05)

Within the sale area, there may be patches of oak wilt. If oak wilt is identified within the sale area, this contract may be modified. The following modifications could occur: time of cutting, species to cut, volume to harvest, or various others dealing with the treatment of oak wilt. If a species is not specified in this contract, it shall be paid for at the average price received for that species and product.

FLYING SOLO (021-09-01)
T34N, R29W, SEC. 01, NWSW, SWSW.
T34N, R29W, SEC. 02, NENW, SENW, NESW, NENE, SENE.
T34N, R29W, SEC. 02, SWNE, SE1/4.
MENOMINEE COUNTY

In response to the notice of sale to be held 04:00 p.m. on June 02, 2009, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species and total bid value must be at or above the appraised price. All non-responsive bid forms may be rejected.

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>BID PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>VALUE</u>
<u>SAWLOGS</u>				
RED OAK	\$ 140.00/MBF	\$ _____ X	130.80 MBF	= \$ _____
WHITE PINE	\$ 92.00/MBF	\$ _____ X	123.80 MBF	= \$ _____
<u>PULPWOOD</u>				
RED OAK	\$ 18.50/CORD	\$ _____ X	980.00 CORDS	= \$ _____
Q. ASPEN	\$ 28.20/CORD	\$ _____ X	377.00 CORDS	= \$ _____
SUBTOTAL 1				\$ _____

In addition, the successful bidder agrees to purchase the following species at the appraised price:

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>VALUE</u>
<u>SAWLOGS</u>			
RED PINE	\$ 104.00/MBF	35.20 MBF	= \$ 3,660.80
<u>PULPWOOD</u>			
WHITE PINE	\$ 22.00/CORD	153.00 CORDS	= \$ 3,366.00
RED PINE	\$ 22.00/CORD	23.00 CORDS	= \$ 506.00
JACK PINE	\$ 27.65/CORD	16.00 CORDS	= \$ 442.40
MIX HARDWD	\$ 26.70/CORD	115.00 CORDS	= \$ 3,070.50
SUBTOTAL 2			\$ 11,045.70
SUBTOTAL 1 + SUBTOTAL 2 = TOTAL BID VALUE \$ _____			

*These volumes are statistically estimated within plus (+) or minus (-) 9.08%. These estimated volumes are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

I understand that any or all bids may be rejected, and that the individual unit bid price will be the basis to determine total bid value. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and manpower subject to my control.

(bidder's printed name)

(bidder's signature)

Address/Telephone _____

THE WINNING BIDDER MUST COMPLETE THE FORM ON THE REVERSE SIDE
WITHIN 21 DAYS OF SALE AWARD



FOR DEPARTMENT USE ONLY

**TIMBER SALE
VERIFICATION OF WORKER'S DISABILITY
COMPENSATION ACT COMPLIANCE**

*As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525
of Act 451 of 1994, as amended.*

Sale or Permit No	
Year:	Type:
Forest Area:	

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

- This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.
- In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.
- All Information must be typed or printed except for written signatures.

Please Check Appropriate Categories:

1. My business is organized as (you **must** check one of the boxes below):
 - A. Sole Proprietorship (individual)
 - B. Partnership
 - C. Corporation
2. You **must** check one of the boxes below:
 - A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws.
 - B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195).
 - C. I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award.
3. If you have checked item 2(A) or 2(B), you **must** indicate the number of **both** full and part time employees other than yourself including family members and active partners (if none, you must enter "0").

_____ Full Time Employees

_____ Part Time Employees

Name of Business		Federal ID (or) Social Security No.	
Address		Telephone No. ()	
City	State	Zip + 4	

I hereby certify that the above information is true and correct. I agree to notify the DNR of any changes that occur in factors affecting my coverage during any of my present and future operations.

Signature of Owner or Authorized Representative

Title

Date