

# DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

# **TIMBER SALE PROSPECTUS #4558**

SCHEDULED SALE DATE AND TIME: 9:00 a.m. (local time) on March 1, 2012. LOCATION: BARAGA MGMT UNIT, 427 US 41 NORTH, BARAGA, MI 49908.

PROSPECTUS NOTE: Note that the T. P. Hardwoods State Forest Timber Sale has special requirements related to Payment Unit (PU) 6. An on-site meeting can be arranged to discuss these requirements. The DNR is conducting a test comparing different methods of measuring trees and determining tree volume. PU 6 contains two test areas and an area with no testing, i.e. no special treatment needed. Both test areas have 20 test plots, i.e. there is roughly one test plot per acre. "Cut" and "Leave" trees have been numbered at each plot. Certain "Cut" trees on each test plot must be felled and cut into product lengths when DNR staff is present. DNR staff will then make detailed measurements of each tree. There are 73 measurement trees in Test Plot Area 1 and 96 measurement trees in Test Plot Area 2.

The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs and contract terms of proposed sales. Please be aware that some landowners may request 60 days or more notice for access across their land.

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

T.P. HARDWOODS (11-010-11-01) / T52N, R36W, SEC. 03, S1/2. T52N, R36W, SEC. 04, E1/2SE. Houghton County, Advertised Price \$293,604.60, 342.0 Acres

SALE NOTE: Note that this sale has special requirements related to Payment Unit (PU) 6. There are cetain test trees that must be cut within 90 days of contract execution or as soon after July 15th, 2012 as is practical. The cutting of the test trees must occur in one period of time, for example, over a period of one or two weeks. The cutting of these trees could be done independently of your normal harvest activities. In other words, a faller could work with the DNR staff falling and bucking trees independently of the purchaser's normal harvest plan. If the wood from the test trees is not removed from the site, then advanced payment is not required. If the test trees are removed from the site, then PU 6 must be paid in full. Plot locations and the list of measurement trees is available and will be provided at the pre-work meeting. The DNR will work cooperatively to make this an efficient process with minimum impact to either party.

No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through private land.

# BID INSTRUCTIONS (VER. 10/20/2011):

# 1. Scheduled Bid Location, Date, and Time (2/11)

Bids must be received by the Unit Manager, BARAGA OFFICE, 427 US 41 NORTH, BARAGA, MI 49908, no later than 9:00 a.m. (local time) on March 1, 2012. For further information concerning this sale, contact Don Mankee at 906-353-6651.

# 2. Bidder's Qualifications (6/11)

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/FMD 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 (1/11)

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 (6/11)

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) the sale name or number and (b) 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 (1/11)

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 (1/11)

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 (1/11)

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 (1/11)

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 (1/11)

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 (1/11)

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 (10/11)

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-00090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC Pure 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.

RODNEY STOKES
Director

#### TIMBER SALE INFORMATION

#### T.P. HARDWOODS (11-010-11-01)

T52N, R36W, SEC. 03; T52N, R36W, SEC. 04.

Houghton County (Advertised Price \$293,604.60)

SALE NOTE: Note that this sale has special requirements related to Payment Unit (PU) 6. There are cetain test trees that must be cut within 90 days of contract execution or as soon after July 15th, 2012 as is practical. The cutting of the test trees must occur in one period of time, for example, over a period of one or two weeks. The cutting of these trees could be done independently of your normal harvest activities. In other words, a faller could work with the DNR staff falling and bucking trees independently of the purchaser's normal harvest plan. If the wood from the test trees is not removed from the site, then advanced payment is not required. If the test trees are removed from the site, then PU 6 must be paid in full. Plot locations and the list of measurement trees is available and will be provided at the pre-work meeting. The DNR will work cooperatively to make this an efficient process with minimum impact to either party.

No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through private land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	/ERTISED PRICE	
Sawlogs				
Sugar Maple	352.20 MBF	\$	658.00 / MBF	
Pulpwood				
Mixed Hardwood	2,300.00 Cords	\$	23.10 / Cord	

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$8,727.00:

PRODUCTS & SPECIES	<b>ESTIMATED UNITS*</b>	<u>ADV</u>	ERTISED PRICE
Sawlogs			
Basswood	87.60 MBF	\$	85.00 / MBF
Red Maple	4.10 MBF	\$	242.00 / MBF
W. Spruce	0.30 MBF	\$	43.00 / MBF
Yellow Birch	0.70 MBF	\$	257.00 / MBF
Pulpwood			
Q. Aspen	4.00 Cords	\$	24.00 / Cord

<sup>\*</sup> The estimated units 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 \$25,000.00 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 must 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:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	5%
02	16%
03	12%
04	13%
05	23%
06	18%
07	13%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2015.

# **Sale Specific Conditions & Requirements**

#### Sale Name: T.p. Hardwoods Sale Number: 11-010-11-01

#### 1 - Sale Area

#### 1.2 - Boundaries

# 1.2.1 - Painted boundaries (12/08)

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

# 2 - Timber Specifications

#### 2.1 - Included Timber

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

Within Payment Unit(s) 1, 2, 3, 4, 5, 6 and 7, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability.

# 2.2 - Utilization

#### 2.2.1 - Utilization (2/04)

All listed board foot volumes of sawlog size products in this contract have been determined using a top diameter inside bark of 8 inches.

# 2.2.4 - Skidding length (2/11)

Skidding of unlimbed tops or skidding of tree lengths greater than 26 feet is not permissible in unit 1, 2, 3, 4, 5, 6 and 7.

# 2.2.7 - Uncut designated trees (2/04)

Liquidated damages of \$10.00 per tree will be assessed for every marked tree not cut.

# 2.2.8 - Utilization and removal (2/11)

All products meeting standards set forth in 2.2 Utilization must be removed from the sale area. Chips must not be stored on the sale area.

# 3 - Payments

# 3.4 - Damaged Timber

# 3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. In addition, extreme care should be taken to avoid damage to tree seedlings and saplings. Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

No damage is acceptable to merchantable trees. Within the sale area, if more than 5 % of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

#### 4 - Transportation

#### 4.1 - Construction

# 4.1.1 - Stream crossings, general (3/11)

All stream crossing structures will be temporary and therefore, shall be provided by the purchaser, and must be removed upon completion of the sale. All permits for stream crossings will be provided by the DNR for state land.

# 4.1.3 - Slash and earthen piles (8/04)

Piles or windrows of earth along roads and landings that have been widened or constructed shall be leveled. Slash from road maintenance or construction, including stumps, shall be dispersed throughout the sale.

# 4.1.5 - Culverts (3/11)

Roads may require the installation of culverts at cross drainages on wet soils, or across natural drainage-ways. Culverts shall be placed in locations specified by the sale administrator and shall be new, corrugated metal or plastic gauge. Culverts will be a minimum of 12 inches in diameter and 24 feet in length. Culverts shall be installed prior to use of the road. If culverts are removed, fill shall be removed from wetland soils as specified. Soils shall be maintained and left in a non-erodible condition, with water bars, seed, fertilizer, mulch, and slash installed as directed by the sale administrator and as specified in the BMP manual. Stream crossing permits, if needed, will be obtained by the DNR for state land.

#### 4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. And, may be chipped, utilized or otherwise removed from the sale. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

#### 4.1.7 - Road closure (4/07)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. Overgrown roads that are reopened shall be considered new roads. In general, this will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth. Contact the sale administrator for specific details of design and placement.

#### 4.2 - Maintenance

#### 4.2.2 - Fill material (4/07)

To maintain roads, fill material may be needed in areas where "holes" exist or may be expected to develop. This fill material should be placed before trucking begins. The sale administator reserves the right to halt harvest activities if haul roads are not properly filled and shaped to his/her specifications.

# 4.2.4 - Grading (12/08)

Roads must be graded after the sale is completed. In general, this will require a road grader or bull dozer to shape up the roads after forest products have been hauled off site. The grading equipment to be used must be approved by the Unit Manager or his/her representative.

#### 4.4 - Access

# 4.4.1 - Private property access (3/11)

Permission for access across private land is the responsibility of the purchaser. Should the purchaser desire to cross private land, a copy of the written permission from the private land-owner may be required by the DNR.

#### 5 - Operations

# 5.1 - Notification

# 5.1.1 - Pre-sale conference (12/08)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations. The Unit Manager or his/her representative must be contacted at least 10 days in advance to schedule the conference.

#### 5.1.4 - Post-sale conference (6/11)

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

#### 5.2.3 - Operating Restrictions

#### 5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 1, 2, 3, 4, 5, 6 and 7, unless changed by written agreement, cutting, skidding, and hauling are limited to the period of July 15 to March 31. This restriction is due to bark slip season and seasonal road restrictions.

# 5.2.3.2 - Operating restrictions (12/08)

Within Payment Unit(s) 1, 2, 3, 4, 5, 6 and 7, unless changed by written agreement, clean up and seeding activities on landings, decking areas, new roads, berms used for road closures and major skid trails must be completed by the July 15 following harvest completion. This restriction is to allow these areas to re-vegetate before the dry season.

# 5.2.30 - Landing/road top soil protection (9/10)

Top soil on landings and new roads must removed, stockpiled and saved. Upon completion of the timber sale, soil must be evenly distributed back over the area for revegetation. In addition, the area must be seeded and mulched per instructions of the sale administrator.

# 5.2.32 - Decking/landing restoration (9/10)

All decking and landing areas must have the surface area restored to a condition equal to or better than before. This is to insure the proper regeneration of the stand.

#### 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 (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and 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 risk of rutting has decreased.

# 5.4.3 - Erosion control (12/08)

Skid trails or haul roads may require erosion control structures or berms per direction of the Unit Manager or his/her representative.

# 99 - Unique

# 99.1 - Timber mearurements test (1/12)

This sale has special requirements related to Payment Unit (PU) 6. The DNR is conducting a test comparing different methods of measuring trees and determining tree volume. PU 6 contains two test areas and an area with no testing, i.e. no special treatment needed. Both test areas have 20 test plots, i.e. there is roughly one test plot per acre. "Cut" and "Leave" trees have been numbered at each plot. Certain "Cut" trees on each test plot must be felled and cut into product lengths when DNR staff is present. DNR staff will then make detailed measurements of each tree. There are 73 measurement trees in Test Plot Area 1 and 96 measurement trees in Test Plot Area 2.

The test trees must be cut within 90 days of contract execution or as soon after July 15th, 2012 as is practical. The cutting of the test trees must occur in one period of time, for example, over a period of one or two weeks. The cutting of these trees could be done independently of your normal harvest activities. In other words, a faller could work with the DNR staff fallling and cutting trees independently of the purchaser's normal harvest plan. If the wood from the test trees is not removed from the site, then advanced payment is not required. If the test trees are removed from the site, then PU 6 must be paid in full. Plot locations and the list of measurement trees is available and will be provided at the pre-work meeting. The DNR will work cooperatively to make this an efficient process with minimum impact to either party.

Section Name: Sale Specific Current as of 1/31/2012 9:35:39AM

MIXED HARDWOOD

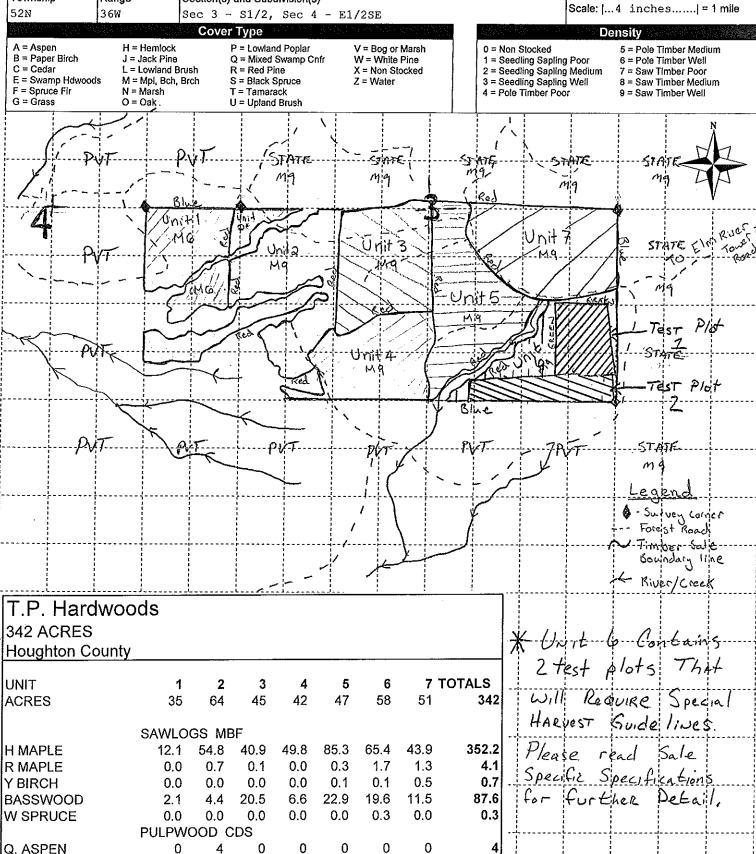
# Michigan Department of Natural Resources - Forest, Mineral & Fire Management

TIMBER SALE MAP

This information provided by authority of Part 525 of Act 451, PA 1994, as amended.

Sale Number 11-010-11-01 Year 2011

Forest Management Unit County Date Page of Mapped By Kentner Baraga Houghton 6/23/2011 Cruised By Baraga Staff 1 Township Range Section(s) and Subdivision(s)



320

243

273

434

200

482

348

2300

TIMBER SALE / SEALED BID STATE OF MICHIGAN / DNR

PRODUCTS & SPECIES

Sugar Maple

Sawlogs

Pulpwood

# **BID FORM**

# T.P. HARDWOODS (11-010-11-01) T52N, R36W, SEC. 03; T52N, R36W, SEC. 04, Houghton County

ADVERTISED PRICE

658.00 / MBF

In response to the notice of sale to be held 9:00 a.m. (local time) on March 1, 2012, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

ESTIMATED UNITS\*

352.20 MBF

Mixed Hardwood	2,300.00	Cords	\$	23.10 / Cord	\$	/ Cord	
In addition, the successful	bidder agrees to purchase	the followin	g species at th	ne indicated advert	ised price for a	total value of \$8,727.00 :	
PRODUCTS & SPECIES Sawlogs	ESTIMATE	D UNITS*	<u>ADV</u>	ERTISED PRICE			
Basswood	87.60	MBF	\$	85.00 / MBF			
Red Maple	4.10	MBF	\$	242.00 / MBF			
W. Spruce	0.30	MBF	\$	43.00 / MBF			
Yellow Birch	0.70	MBF	\$	257.00 / MBF			
Pulpwood							
Q. Aspen	4.00	Cords	\$	24.00 / Cord			
I understand that any or all understand that considerat equipment and staffing sub	ion and awarding a contra	ct will be ba	sed upon my p	past performance a	and ability to cor	nplete the contract based	
Company or ind	ividual bidding:				_		
Company representative's name:							
					_		
City:	State	):	Zip:				
IF AVAILABLE, PLEASE P	LACE THE PERSONALIZ	ED LABEL I	FROM YOUR	PROSPECTUS IN	THE ABOVE B	SOX.	
Individual or company repr	esentative's signature:				_ Date:		
Phone number :		E	mail (optional)	:			



Michigan Department of Natural Resources & Environment Forest Management Division

# 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.

FOR DEPARTMENT USE ONLY				
Sale Number (XX – XXX – XX – XX)				
Forest Management Unit:				

# 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
- 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.	<ol> <li>My business is organized as (you must check one of the boxes be A.               Sole Proprietorship (individual)                  Partnership                  C.                  Corporation</li> </ol>	elow):			
2.	<ul> <li>You must check one of the boxes below:</li> <li>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.</li> <li>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).</li> <li>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.</li> </ul>				
3.	<ol> <li>If you have checked item 2(A) or 2(B), you must indicate the num than yourself, including family members and active partners (if norFull-time Employees</li> </ol>				
Nam	Name of Business Federal II	O (or) Social Security No.			
Addr	Address Telephon (	e )			
City	City State ZIP				
000	I hereby certify that the above information is true and correct. I agree occur in factors affecting my coverage during any of my present and f  Signature of Owner or Authorized Representative				
T	Title	Date			