



**DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN**

TIMBER SALE PROSPECTUS #4703

SCHEDULED SALE DATE AND TIME: 11:00 a.m. (local time) on August 28, 2012.

LOCATION: GRAYLING MGMT UNIT, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738.

PROSPECTUS NOTE: 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, GRAYLING MANAGEMENT UNIT, for certain timber on the following described lands:

THE NEW MACHINE GUN ALLEY (72-619-12-01) / T27N, R02W, SEC. 07, S1/2; SEC 8 SW1/4 & SENW;.
T27N, R02W, SEC. 12, W1/2SW; SEC 13 NWNW;.
T27N, R02W, SEC. 17, W1/2.
T27N, R02W, SEC. 18, E1/2 & N1/2NW;.

Crawford County, Advertised Price \$48,412.80, 921.0 Acres

SALE NOTE: The Bidder must attend the On-Site Pre-Bid Meeting set for 9:30 a.m. on Monday, August 27, 2012. Bidders are to meet at 9:30 a.m. at the Grayling Field Office. The Grayling Field Office staff will then escort all Bidders to the sale site. Bidders will be disqualified if they do not attend the Pre-Bid Meeting.

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

BID INSTRUCTIONS (VER. 02/13/2012):

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

Bids must be received by the Unit Manager, GRAYLING OFFICE, 1955 HARTWICK PINES ROAD, GRAYLING, MI 49738, no later than 11:00 a.m. (local time) on August 28, 2012. For further information concerning this sale, contact Susan Thiel at 989-348-6371 extension 7440.

2. Bidder's Qualifications (2/12)

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/FRD 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

THE NEW MACHINE GUN ALLEY (72-619-12-01)

T27N, R02W, SEC. 07; T27N, R02W, SEC. 12; T27N, R02W, SEC. 17; T27N,
R02W, SEC. 18.

SALE NOTE: The Bidder must attend the On-Site Pre-Bid Meeting set for 9:30 a.m. on Monday, August 27, 2012. Bidders are to meet at 9:30 a.m. at the Grayling Field Office. The Grayling Field Office staff will then escort all Bidders to the sale site. Bidders will be disqualified if they do not attend the Pre-Bid Meeting.

No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through other public or state forest 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:

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
Mixed Oak	137.40 MBF	\$ 47.00 / MBF
Pulpwood		
Jack Pine	1,778.00 Cords	\$ 7.90 / Cord
Mixed Aspen	904.00 Cords	\$ 6.70 / Cord
Mixed Oak	2,305.00 Cords	\$ 4.80 / Cord
Red Maple	819.00 Cords	\$ 3.90 / Cord
Red Pine	454.00 Cords	\$ 15.00 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$783.90:

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
Red Maple	13.40 MBF	\$ 26.00 / MBF
Pulpwood		
White Pine	130.00 Cords	\$ 3.35 / Cord

* The total volume is statistically estimated within plus (+) or minus (-) 13.62 percent. 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 **\$2,500.00** 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:

<u>PAYMENT UNIT NUMBER</u>	<u>PERCENT OF TOTAL SALE VALUE</u>
01	30%
02	12%
03	5%
04	18%
05	20%
06	15%

4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on 03/01/2013.

Sale Specific Conditions & Requirements

Sale Name: The New Machine Gun Alley Sale Number: 72-619-12-01

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. Existing roads serve as unpainted sale boundary lines, they include Lewiston Grade Rd, Stephan Bridge Rd, Jones Lake Truck Trl, and an unnamed tank trail. Interior Payment Unit boundaries are marked with yellow paint. Do not cut painted boundary line trees along the south line in UNIT 6 and North line of UNIT 4. Yellow 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

2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 1-6, cut all trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability. This includes all standing dead trees except in Unit 2, DO NOT CUT RED OR WHITE PINE greater than 16 inches at DBH. In Unit 1 all stumps are to be left AT LEAST 12 INCHES TALL to facilitate stump removal by the military.

2.1.11 - Description of timber note (2/04)

Note that Unit 1 Stumps are to be at least 12 inches tall. In all Units there will be areas of non merchantable species in which all stems need to be removed. A portion of sale is within the MPRC Range 30 Complex, so there is potential to find live ordnances. Producers and all crew members will have to go through an Unexploded Ordnance (UXO) Safty Briefing, conducted my the military prior to beginiing any operations.

Please note this sale includes approximately 144 acres of non-merchantable timber with high stem densities in which harvesting of these stems is REQUIRED. This acreage was only included in the sale size and NOT used in the estimation of sale volume.

Please note this sale includes roughly 165 acres of non-merchantable timber with very low stem densities on which harvesting is OPTIONAL. This acreage was only included in the sale size and was NOT used in the estimation of sale volume.

There is the potential for metal from training rounds fired to be in the trees.

2.2 - Utilization

2.2.2 - Chipping required (1/11)

Payment Unit 1-6 must be chip harvested to meet National Guard requirements. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. Products may be produced as roundwood and forwarded to decking areas in final product length, but the tops must be left intact and skidded to the landing for chipping in order to minimize the amount of residual slash left in Military training areas. The requirement to retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter does not apply (G. C. & R. 2.2) as it is a Military sale.

2.2.3 - Stump heights (4/07)

Stump heights within Payment Unit(s) 2 thru 6 shall not exceed 6 inches for all trees. Payment Unit 1 all stumps are to be at least 12 inches tall to help facilitate stumping operations and meet military requirements.

2.2.4 - Skidding length (2/11)

Tree length skidding is required. Processing will take place at the landing. The goal is to minimize slash clean up during construction of the range. Multiple landings will be allowed. Any deviation from this must be approved by the Unit Manager or his/her representative prior to the start of operations.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 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

4.1.11 - Permits (2/12)

The Purchaser will secure any necessary county road permits that may be required.

4.4 - Access

4.4.3 - Access gate (12/08)

The access gate must be locked at all times. This is to prevent someone other than the purchaser from going through the gate and being locked in.

The producer may create an opening in the fence line running East/West along Bucks East/West Road to help facilitate harvesting. The fence opening must be closed and secured at the end of each day.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 5 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.

5.1.5 - National Guard notification (2/10)

This sale is upon Military Board Lands that are administrated by the Michigan National Guard - Camp Grayling. A minimum of five (5) business days prior to opening this sale, the producer must request that the sale administrator contact the military for information regarding training plans that may impact sale operations.

5.2 - Conduct of Operations

5.2.3 - Operating Restrictions

5.2.3.7 - National Guard training restriction (1/09)

Operations on this contract may not be allowed during National Guard training operations. Typically, the restricted period is from May 1 to October 31. The contractor must check with the Unit Manager who will coordinate the cutting schedule with the Military. All harvest equipment and timber products must be removed from the sale area during the period of May 1 to October 31.

Producer will have to check in and out daily with MPRC Range Control, phone number is 989-344-6156.

5.2.31 - Landing locations (10/09)

Multiple landings are encouraged to help the harvesting operation. Stumping of the landings is required. Decking of products should take place outside of UNIT 1. The decking of products should be minimized as much as possible. Decking will only be allowed along existing roads that are outside of the existing fence and outside of Unit 1.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (9/09)

The purchaser is responsible for posting and maintaining caution signs on county roads prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. Signs will be provided to the purchaser, if available. If no

signs are available the purchaser must provide signage.

7 - Other Conditions

7.2 - Extensions

7.2.2 - No extensions (3/09)

There will be no extensions granted for Units 1, 2, 3 & 6. Units 4 & 5 may be extended. Any extension will have to be approved by the Military and must be approved prior to expiration of the sale contract.

7.10 - Certified Timber

7.10.1 - Non-certified timber (12/05)

The area encompassed by this timber sale is not certified to the standards of the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI). Forest products from this sale may not be delivered to the mill as "FSC and / or SFI certified". The lands within this sale are managed for military training.



TIMBER SALE MAP

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

Sale Number	Year
72-019	12

Forest Management Unit Grayling Unit	County Crawford	Mapped By Barnes	Date 07/04/2012	Page 1	of 1
Township 27N	Range 2W, 3W	Section(s) and Subdivision(s) Various Portions of Sections, 7, 8, 12, 13, 17, 18	Cruised By Barnes		

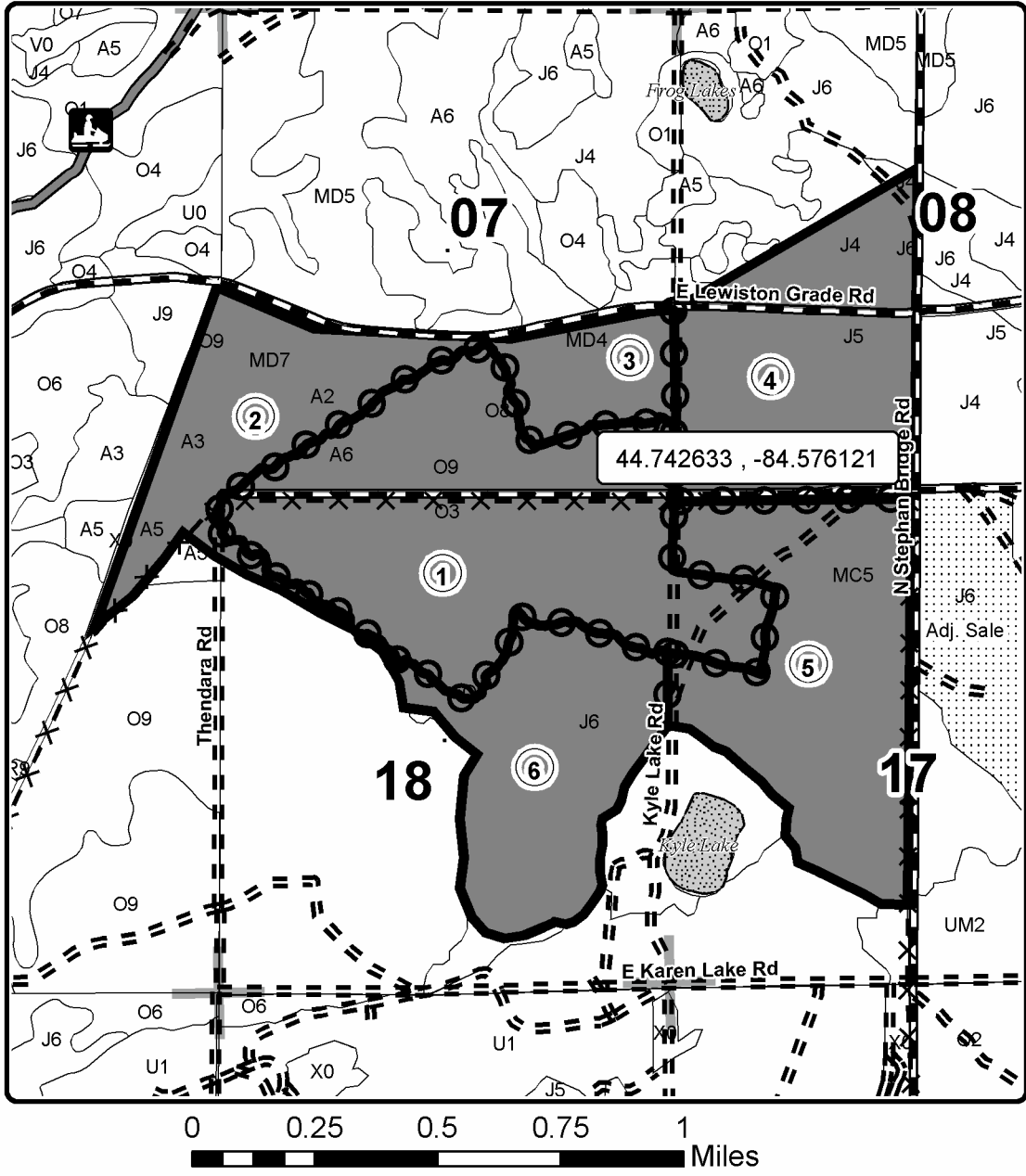
Scale	1:23,000
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Cover Type				Density	
A = Aspen	H = Hemlock	N = Marsh	U = Upland Brush	0 = Non Stocked	5 = Pole Timber Medium
B = Paper Birch	J = Jack Pine	O = Oak	UM = Upland Mixed	1 = Seedling Sapling Poor	6 = Pole Timber Well
C = Cedar	L = Lowland Brush	P = Lowland Poplar	V = Bog or Marsh	2 = Seedling Sapling Medium	7 = Saw Timber Poor
D = Treed Bog	LM = Lowland Mixed	Q = Mixed Swamp Conifer	W = White Pine	3 = Seedling Sapling Well	8 = Saw Timber Medium
E = Swamp Hdwoods	M = Mpl, Bch, Brch	R = Red Pine	X = Non Stocked	4 = Pole Timber Poor	9 = Saw Timber Well
F = Spruce Fir	MC = Mixed Conifer	S = Black Spruce	Z = Water		
G = Grass	MD = Mixed Deciduous	T = Tamarack			

PU	Acres	PU	Acres
1	227	4	169
2	110	5	185
3	47	6	133

The New Machine Gun Alley

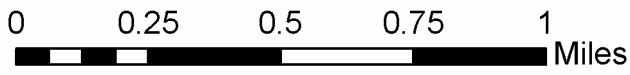
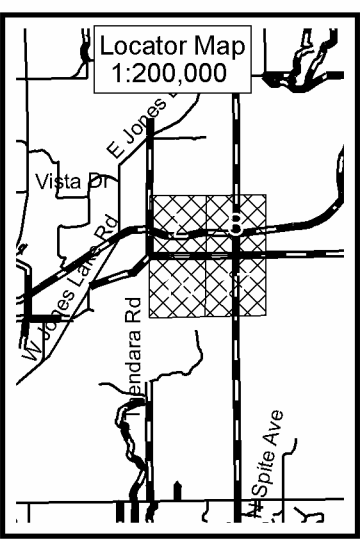
Compartment 240, 253, 254
921 Acres



Legend

Sale Boundary

- Against State (Red)
- Payment Unit (Yellow)
- X—X Existing Fence
- Adj Stand Boundaries
- Highway
- Gravel
- Paved
- == Poor Dirt
- ▨ Lakes
- Trail
- Section Corners



THE NEW MACHINE GUN ALLEY (72-619-12-01)

T27N, R02W, SEC. 07; T27N, R02W, SEC. 12; T27N, R02W, SEC. 17; T27N, R02W, SEC. 18, Crawford County

In response to the notice of sale to be held 11:00 a.m. (local time) on August 28, 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.

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>	<u>BID PRICE</u>
Sawlogs			
Mixed Oak	137.40 MBF	\$ 47.00 / MBF	\$ _____ / MBF
Pulpwood			
Jack Pine	1,778.00 Cords	\$ 7.90 / Cord	\$ _____ / Cord
Mixed Aspen	904.00 Cords	\$ 6.70 / Cord	\$ _____ / Cord
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Red Maple	819.00 Cords	\$ 3.90 / Cord	\$ _____ / Cord
Red Pine	454.00 Cords	\$ 15.00 / Cord	\$ _____ / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$783.90 :

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
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Pulpwood		
White Pine	130.00 Cords	\$ 3.35 / Cord

* The total volume is statistically estimated within plus (+) or minus (-) 13.62 percent. 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.

I understand that any or all bids may be rejected. 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 staffing subject to my control.

FEDERAL ID: _____ or SOCIAL SECURITY NUMBER: _____

Company or individual bidding: _____

Company representative's name: _____

Address: _____

City: _____ State: _____ Zip: _____

IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.

Individual or company representative's signature: _____ Date: _____

Phone number : _____ Email (optional): _____



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 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-time 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 ()
City	State	ZIP

I hereby certify that the above information is true and correct. I agree to notify the Michigan DNRE 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