

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #5991

SCHEDULED SALE DATE AND TIME: 8:30 a.m. (local time) on July 19, 2017. LOCATION: CRYSTAL FALLS MGT UNIT, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920.

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, CRYSTAL FALLS MANAGEMENT UNIT, for certain timber on the following described lands:

Compartment 184 Salvage (12-064-17)

Iron County, Advertised Price \$58,867.15, 319.7 Acres, Hardwood, Sugar Maple.

SALE NOTE: This is a northern hardwood stand that received wind storm damage in April 2017. This is a scaled sale. Prospective bidders are encouraged to evaluate the sale area for operability and quality. Dependent upon rains, operating on non frozen ground may not be feasible.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions.

BID INSTRUCTIONS (VER. 09/02/2016):

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

Bids must be received by the Unit Manager, CRYSTAL FALLS OFFICE, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920, no later than 8:30 a.m. (local time) on July 19, 2017. For further information concerning this sale, contact Dan McNamee at 906-875-6622 extension 105.

2. Bidder's Qualifications (5/16)

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, the 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 (5/16)

Bid Forms may be completed online thru Michigan DNR Timber Sale Online Bidding (OLB) at www.michigan.gov/timberbidding or by completing the hardcopy Bid Form found in the Timber Sale Prospectus. Hardcopy Bid Forms shall be manually signed in ink. Registration in OLB is considered your 'signature' for all bids submitted thru that system. 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 hardcopy Bid Form, each erasure or change must be initialed by the person signing the bid.

4. Submission of Sealed Bids (5/16)

Bid forms may be obtained from the Unit Manager or thru OLB. Bids may be submitted hardcopy or thru OLB. All hardcopy 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.

It is possible for a bidder to submit multiple bids on a single sale. For example, a bid may be submitted hardcopy and a bid may be submitted thru OLB. Or, two bidders from the same company could both submit bids on the same sale. If this were to happen, the State would accept all bids received and award the contract accordingly. All bidding and contractual requirements would apply to all bids received.

5. Public Opening of Sealed Bids (7/16)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

If a bidder, present at a bid opening, has submitted bids on more than one sale, that bidder may withdraw their unopened bid envelopes or announce the withdrawal of their online bid after being declared the successful bidder on one sale.

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 (9/14)

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/timber. 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 expiration date.

10. Disclaimer of Estimates and Bidder's Warranty of Inspection (7/16)

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 (10/14)

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-SF5. Forest products from this sale may be delivered to the mill as "FSC 100% 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.

12. Good Neighbor Authority (GNA) Requirements (7/16)

If the name of this timber sales contains the acronym GNA, it is authorized by the Good Neighbor Authority (GNA) and covered by various agreements between the U.S. Forest Service and the State. The timber sale occurs on federal land and the following conditions apply:

GNA contracts on US Forest Service land will not be awarded to purchasers on the Federal list of excluded parties. The System for Award Management (SAM) will be checked for active excluded parties prior to award of contract. In addition, the Bidder to whom award is made must complete an Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants (AD-3031).

13. Good Neighbor Authority (GNA) Requirements, con't (9/16)

Bidder certifies, by signing this bid form, that to the best of Bidder's knowledge that the following representations are accurate and complete.

- a. That the Bidder and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded from timber sales (covered transactions) by any Federal department or agency.
- b. That the Bidder and its principals have not within a 3-year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

- c. That the Bidder and its principals are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph b of this certification.
- d. That the Bidder and its principals have not within a 3-year period preceding this bid had one or more public transactions (Federal, State, or local) terminated for breach or default of a timber or forest product contract.

Bidders that cannot certify this requirement, in whole or in part, shall submit an explanation with their bid.

KEITH CREAGH Director

TIMBER SALE INFORMATION

Compartment 184 Salvage (12-064-17)

Iron County (Advertised Price \$58,867.15)

SALE NOTE: This is a northern hardwood stand that received wind storm damage in April 2017. This is a scaled sale. Prospective bidders are encouraged to evaluate the sale area for operability and quality. Dependent upon rains, operating on non frozen ground may not be feasible.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions.

A timber sale contract for this scaled, 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:

ESTIMATE	ED UNITS*	ADV	ERTISED PRICE
126.30	MBF	\$	88.00 / MBF
0.40	MBF	\$	185.00 / MBF
64.70	MBF	\$	339.00 / MBF
21.60	MBF	\$	117.00 / MBF
6.00	Cords	\$	14.25 / Cord
1,133.00	Cords	\$	20.35 / Cord
4.00	Cords	\$	19.05 / Cord
	126.30 0.40 64.70 21.60 6.00 1,133.00	0.40 MBF 64.70 MBF 21.60 MBF 6.00 Cords 1,133.00 Cords	126.30 MBF \$ 0.40 MBF \$ 64.70 MBF \$ 21.60 MBF \$ 4.00 Cords \$ 1,133.00 Cords \$

^{*} The total volume is statistically estimated within plus (+) or minus (-) 43.95 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 \$3,000.00 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.
- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2018.

Description of Timber by Payment Unit (PU)

PU	MARKET GROUP	PRODUCT	QUANTITY	UNIT	ACRES	ADVERTISE PRICE
1	Black Cherry	Sawtimber	126.3	MBF	316.2	\$58,550.05
	Sugar Maple		64.7	MBF		
	Yellow Birch		21.6	MBF		
	Mixed Hardwood	Pulpwood	1,129.0	Cords		
	Black Cherry		542.0	Cords		
	Sugar Maple		519.0	Cords		
	Yellow Birch		68.0	Cords		
2	Red Maple	Sawtimber	0.4	MBF	3.5	\$317.10
	Balsam Fir	Pulpwood	6.0	Cords		
	Mixed Hardwood		4.0	Cords		
	Red Maple		1.0	Cords		
	Sugar Maple		3.0	Cords		
	White Spruce		4.0	Cords		
	TOTAL:		213.0	MBF		
		TOTAL:	1,143.0	Cords		

Sale Specific Conditions & Requirements

Sale Name: Compartment 184 Salvage Sale Number: 12-064-17 Seq#: 1

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (1/14)

Timber sale boundary lines against private land are marked with blue paint. Sale boundary lines against state land are marked with double red paint dots. The interior Payment Unit boundaries for Payment Unit 2 are unpainted and identified as follows: The north and south boundaries are identified by the timber type change, and the west boundary is identified by Camp 1 Road.

2 - Timber Specifications

2.1 - Included Timber

2.1.4 - Designated timber unit(s) (6/17)

Within Payment Unit(s) 1 and 2, all windthrown trees which meet minimum piece specifications in 2.2 Utilization are designated for cutting. In addition, areas may require cutting of standing, undamaged trees in order to access wind damaged pockets. Cutting of standing trees for access will be minimized and restricted to pulpwood sized trees. Standing sawtimber sized trees may also be harvested if marked by the Sale Administrator prior to harvest. Areas with no wind damaged trees and areas that are not adjacent to wind damaged trees are not to be cut or operated through.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 12 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH. An exception for windthrown trees may be permitted.

2.2.11 - Chipping restriction (9/14)

If chipping occurs on this sale, then no woody debris present on the ground at the start of the sale may be chipped. Chip piles must be removed within 60 days of the sale expiration. In addition, after chip pile removal, residual chip depth at the landing may not exceed 4 inches.

3 - Payments

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/14)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. Extreme care should be taken to avoid damage to tree seedlings and saplings. 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, or at a rate of \$50.00 per sawtimber tree and \$5.00 per pole sized tree, whichever is greater.

4 - Transportation

41 - Construction

4.1.6 - Road construction (1/09)

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. Stumps shall be set upright, not left on edge, and be moved at least 5 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 (10/11)

Any overgrown, existing roads that are reopened into the sale must be blocked to vehicle traffic within 60 days of the sale expiration. In general, this will require constructing minimally a 4 foot high berm consisting of stumps, rocks, slash and earth. These roads must be made impassable to ORVs. Contact the sale administrator for specific design and placement.

4.1.12 - No new roads (1/12)

No new roads will be permitted. All operations are limited to existing roads. Existing overgrown roads may be opened up and utilized with approval from the sale administrator.

4.2 - Maintenance

4.2.5 - Two wheel drive condition (2/04)

All existing trail roads on and adjacent to the sale area must be passable by two-wheel drive traffic for the duration of the sale.

5 - Operations

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.8 - Slash height (12/08)

No slash or tree tops may exceed 36 inches in height.

5.2.1.11 - Slash for reforestation (5/07)

To facilitate reforestation, the sale area shall be left with slash evenly distributed. Bunched tops within the cutting area shall be broken up and scattered. Stumps shall be cut low to the ground. Processing sites shall not be left with a compacted layer of slash; tops from these sites shall be hauled back into the cut area and scattered.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (10/16)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1, unless changed by written agreement, cutting, skidding, and hauling are not permitted from March 1 to May 15. This restriction is to avoid spring break up conditions.

Within Payment Unit(s) 2, unless changed by written agreement, cutting, skidding and hauling are not permitted from March 1 to December 1. This restriction is to avoid non frozen ground conditions.

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 1, unless changed by written agreement, cutting and skidding are not permitted during the period of April 15 to July 15. This restriction is because of bark slippage.

5.2.22 - Operating Caution

5.2.22.1 - Operating caution (6/11)

It is recommended, but not required, that within Payment Unit(s) 1, cutting, skidding, and hauling occur during dry summer or frozen winter conditions. The reason for the recommendation is because of the heavy soils in the area. If prolonged wet weather conditions occur, the sale administrator may suspend operations until favorable weather and ground conditions are present.

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

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

5.2.41 - Snowmobile trail protection (9/11)

The New DNR Road and a portion of the Camp 1 Road is a snowmobile trail, and is shown on the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. Any road maintenance/restoration must be done prior to December 1. If the trail road is to be used for hauling during the snowmobile season, a snow covered base must be left on the trail. No decking of forest products will be permitted along the snowmobile trail from December 1 to March 1.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (7/16)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and/or 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.

5.4.6 - Wet area protection (5/10)

No harvesting operations, including skidding and felling, are to take place within any vernal pond areas or drainages. When harvesting occurs, there should be no disturbance to a vernal pond depression. All equipment, trees and tops should be kept out of these areas. Within 100 feet of the pond, equipment should only be used when the soil is in a dry or frozen condition. Care must be taken by the Purchaser to identify and avoid operating in these areas of the timber sale.

5.8 - Protection of Endangered Species

5.8.5 - Protection of raptor nests (3/13)

All trees with raptor nests will be protected if found during harvesting operations. Notification will be made to the Unit Manager or his/her representative who will notify the Wildlife Biologist so an on-site evaluation and recommendation can be made, if necessary.

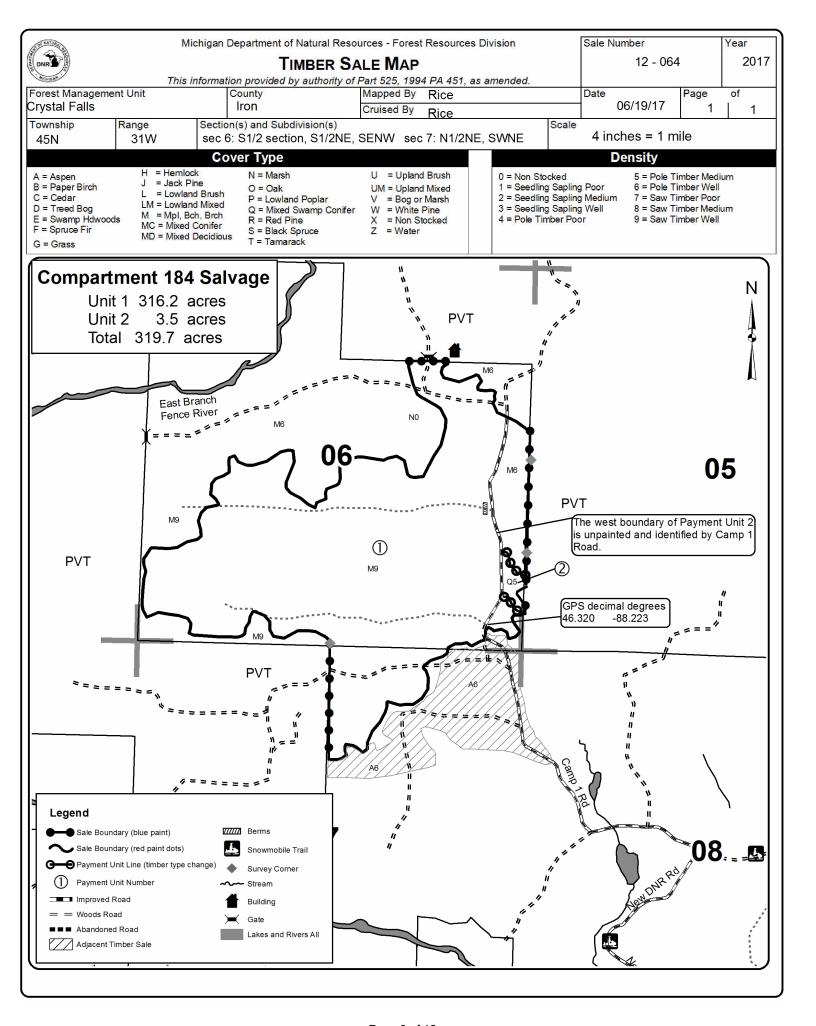
6 - Safety and Fire Prevention

6.2 - Signing

6.2.2 - Snowmobile trail posting (8/09)

The Purchaser is responsible for posting and maintaining caution signs on the snowmobile trail prior to beginning operations during the snowmobile season (approximately December 1 to March 31). The trail must be posted at least 200 feet before and after 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.

Section Name: Sale Specific Current as of 6/30/2017 10:03:10AM



FEDERAL ID:

BID

CRYSTAL FALLS MANAGEMENT UNIT CRYSTAL FALLS OFFICE

Compartment 184 Salvage (12-064-17) ; Iron COUNTY

In response to the notice of sale to be held 8:30 a.m. (local time) on July 19, 2017, 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.

PRODUCTS & SPECIES	ESTIMATED VOLUME*	ADVERTISED PRICE	BID PRICE
Sawtimber			
Black Cherry	126.30 MBF	\$ 88.00/MBF	\$
Red Maple	0.40 MBF	\$ 185.00/MBF	\$
Sugar Maple	64.70 MBF	\$ 339.00/MBF	\$
Yellow Birch	21.60 MBF	\$ 117.00/MBF	\$
Pulpwood			
Balsam Fir	6.00 Cords	\$ 14.25/Cord	\$
Mixed Hardwood	1,133.00 Cords	\$ 20.35/Cord	\$
White Spruce	4.00 Cords	\$ 19.05/Cord	\$

*The volumes are statistically estimated within plus (+) or minus (-) 43.95 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.

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.

				""	
	Company or individual bidding: Company representative's name:				
	Address:				
	City:	State:	Zip:		
IF AVAIL	ABLE, PLEASE PLA	CE THE PERSONALIZED LABEL I	ROM YOUR PROSE	PECTUS IN THE ABOVE BOX.	_
Individua	dividual or company representative's signature: Date:				
Phone number : Email (or		mail (optional):			

or SOCIAL SECURITY NUMBER:

THE WINNING BIDDER MUST COMPLETE THE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE (ON REVERSE SIDE IF DOUBLE SIDED) WITHIN 21 DAYS OF SALE AWARD DATE



Michigan Department of Natural Resources Forest Resources Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

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

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 5 of Act 451 of 1994, as amended.

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 twenty-one (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.			
Ple	Please Check Appropriate Categories:			
1.	 My business is organized as (you must check <u>one</u> of the boxes below): A. □ Sole Proprietorship (individual) B. □ Partnership C. □ Corporation 			
3.	 A. ☐ I certify 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 my business has satisfied its o bligation 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 my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within twenty-one (21) days of the contract award. 			
Nam	lame of Business	ederal ID (or) Social Security No.		
Add	Address Te	elephone)		
City	City State ZI	P		
in fa	hereby certify that the above information is true and correct. I am factors affecting my coverage during any of my present and fut. Signature of Owner or Authorized Representative			
	THE	Dale		

Please complete the "SEALED BID" information on the next page

PR 4031-5 (Rev. 10/30/2012)