



DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

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

BARK BEETLE RED PINE / T25N, R04W, SEC. 26, NWSE.
CRAWFORD COUNTY (Appr. \$14,046.00)

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SALE DATE AND TIME: 3:00 p.m. on February 26, 2009.

GRAYLING

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

1. **Bid Location, Date, and Time:** Bids must be received by the Unit Manager, Grayling Management Unit, 1955 N. I-75 BL, Grayling, MI 49738, no later than 3:00 p.m. on February 26, 2009. For further information concerning this sale, contact the Unit Manager at 989-348-6371.
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

BARK BEETLE RED PINE (011-09-01)

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 PINE | 73.00 MBF | \$ 122.00/MBF |
| PULPWOOD | | |
| RED PINE | 257.00 CORDS | \$ 20.00/CORD |

*The volumes are statistically estimated within plus (+) or minus (-) 18.19 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 \$1,000.00 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 remainder is due before cutting begins.
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on April 15, 2009.



Michigan Department of Natural Resources – Forest, Mineral & Fire Management
TIMBER SALE MAP

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

| | |
|-------------|------|
| SALE NUMBER | YEAR |
| 720110901 | 2009 |

| | | | | | |
|--------------------------|----------|------------|------------|------|----|
| FOREST MANAGEMENT UNIT | COUNTY | MAPPED BY | DATE | PAGE | OF |
| Grayling Management Unit | Crawford | Potter | 02/03/2009 | 1 | 1 |
| | | CRUISED BY | | | |
| | | Potter | | | |

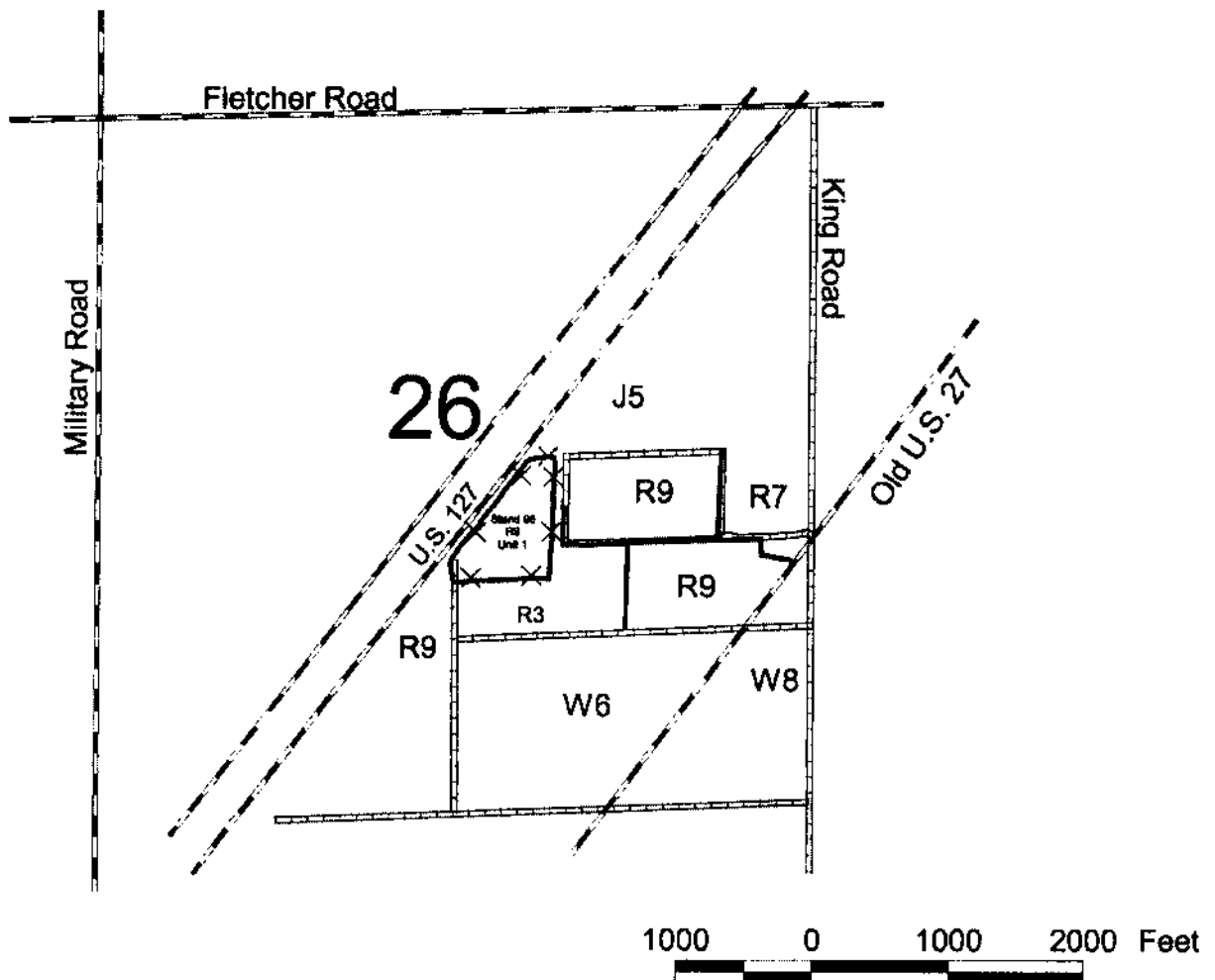
| | | | | | |
|----------|-------|-------------------------------|---|------|-----------|
| TOWNSHIP | RANGE | SECTION(S) AND SUBDIVISION(S) | 0 | 0.25 | 0.5 Miles |
| 25N | 4W | NWSE, Sec. 26 | | | |

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

Pine Bark Beetle Red Pine

11 Acres

- Stand Boundary Red Paint
- County Roads
- Two Track



Sale Specific Conditions & Requirements

Sale Name: Bark Beetle Red Pine Sale Number: 72-011-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by red paint. Exterior sale boundary lines against state are marked with red paint. Do not cut painted boundary line trees.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (12/08)

Within Payment Unit(s) 1, cut all Red pine trees that are two (2) inches or more in diameter measured at a point of four and one-half (4-1/2) feet above ground level regardless of merchantability.

2.2 - Utilization

2.2.2 - Chipping (12/08)

This area must be chip harvested. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled to meet future silvicultural activities. 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.

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 4 inches for all trees. This is in order to facilitate planting operations.

3 - Payments

3.4 - Damaged Timber

Sale Name: Bark Beetle Red Pine Sale Number: 72-011-09-01

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 oak 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.

Within the sale area, if more than 20% of the tree seedlings or saplings (1/4" to 4.5" DBH) within a specified portion of the sale area are damaged, liquidated damages will be assessed at \$300.00 per acre for all acreage within that specified portion of the sale area that was damaged. No damage is acceptable to merchantable trees. Within the sale area, if more than 5% of Oak 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

4.1.3 - 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.

4.1.6 - 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 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.

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.

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

5.2.1.8 - Slash height (12/08)

No slash may exceed 12 inches in height.

5.2.3 - Operating Restrictions

5.2.3.6 - Bark beetle restriction (12/08)

In the event drought creates a high risk of pine bark beetle infestation, pine is not to be cut during the period March 1 through July 1, unless all portions of trees greater than two inches in diameter are removed from the sale area, reduced to chips, or treated to the satisfaction of the Unit Manager or his/her representative, within fifteen days of being severed from the stump. Pine log decks, pulpwood piles and treetops that are piled for chipping in the fall or winter within a 1/4 mile of susceptible sites must be removed before March 15. Residual slash must not be placed in piles or rows and must be spread over the site for quick drying. The Department of Natural Resources will exercise this specification if the risk of damage warrants.

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. 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 risk of rutting has decreased.

7 - Other Conditions

7.2 - Extensions

7.2.3 - Salvage extension (1/09)

This is a salvage sale with a short contract length. One (1), twelve (12) month extension can be applied to one (1) other sale owned by the purchaser and expiring within twelve (12) months from the date of this contract, to permit expediting the harvest of this sale. The free extension must be used before this contract is closed-out.

BARK BEETLE RED PINE (011-09-01)
T25N, R04W, SEC. 26, NWSE.
CRAWFORD COUNTY

In response to the notice of sale to be held 3:00 p.m. on February 25, 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* = VALUE</u> |
|----------------|------------------------|------------------|----------------------------------|
| SAWLOGS | | | |
| RED PINE | \$ 122.00/MBF | \$ _____ X | 73.00 MBF = \$ _____ |
| PULPWOOD | | | |
| RED PINE | \$ 20.00/CORD | \$ _____ X | 257.00 CORDS = \$ _____ |
| | | | TOTAL BID VALUE \$ _____ |

*These volumes are statistically estimated within plus (+) or minus (-) 18.19%. 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