



DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT
STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

SALE TIME, DATE AND LOCATION
3:00 p.m. on January 31, 2011
MANTON

Notice is hereby given that bids will be received by the Unit Manager, CADILLAC MANAGEMENT UNIT, for certain timber on the following described lands. The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs, and sale contract terms of the proposed sale.

GOOSE LAKE OAK WILT / T23N, R08W, SEC. 26, VARIOUS.

MISSAUKEE COUNTY (Appr. \$91,409.83)

SALE ACRES: 90

NOTE: SALE MUST BE COMPLETED BY MARCH 15, 2011.

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.

Access may be through state forest land.

Please be aware that some landowners may request 60 days or more notice for forest harvesting access across their land.

NOTICE OF CHANGE IN GENERAL CONDITIONS AND REQUIREMENTS COMMON TO ALL STATE FOREST TIMBER SALE CONTRACTS

In May 2010, the Woody Biomass Harvesting Guidance was approved by the Chief of Forest Management Division. The purpose of the Woody Biomass Harvesting Guidance is to provide a broad context for harvesting woody biomass from forest land within a sustainable forest management framework, as well as specific technical recommendations. The Woody Biomass Harvesting Guidance will be applied to State Forest System management activities. It is recommended that this guidance be applied to all forest land in Michigan.

General Condition and Requirement 2.2 - Utilization, has been updated to implement The Woody Biomass Harvesting Guidance and the revised specification will be included with the contracts advertised with this prospectus. The wording has been changed so that unless otherwise specified in the contract, approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter from designated trees not meeting utilized standards will be retained on site. The new specification is as follows with changes in **bold**:

2.2 - Utilization

Unless otherwise indicated in this contract, the DNRE product standards are based on utilization of a 100" piece to a top diameter inside bark of 8 inches for sawlogs in the northern Lower Peninsula, 10 inches for sawlogs in the Upper Peninsula and 4 inches for pulpwood. **Wood from designated trees not meeting these standards may be utilized, except retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter, unless otherwise specified in this contract.**

If not otherwise specified, the maximum stump height shall not exceed 24 inches for sawlogs or 12 inches for pulpwood. Higher stumps resulting from multiple stemmed trees may be left if authorized by the Unit Manager or his/her representative. The Purchaser shall not cut stumps lower than the DNRE paint markings that indicate individual products to be cut. **Avoid removal of the forest litter layer, forest floor or below-ground biomass, including stumps and roots.**

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

1. Bid Location, Date, and Time: Bids must be received by the Unit Manager, Cadillac Management Unit, Manton Field Office, 521 North Michigan, Manton, MI 49663, no later than 3:00 p.m. on January 31, 2011. For further information concerning this sale, contact the Unit Manager at 231-824-3591.
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.

DAN WYANT
Director

GOOSE LAKE OAK WILT (011-11-01)

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

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
RED OAK	525.50 MBF	\$ 145.00/MBF
PULPWOOD		
RED OAK	1,287.30 CORDS	\$ 10.30/CORD

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

<u>SPECIES</u>	<u>ESTIMATED VOLUME*</u>	<u>APPRAISED PRICE</u>
SAWLOGS		
MIX ASPEN	7.50 MBF	\$ 68.00/MBF
PULPWOOD		
MIX ASPEN	108.10 CORDS	\$ 13.35/CORD

*The volumes are statistically estimated within plus (+) or minus (-) 12.98 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 \$7,500.00 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 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 March 15, 2011.



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

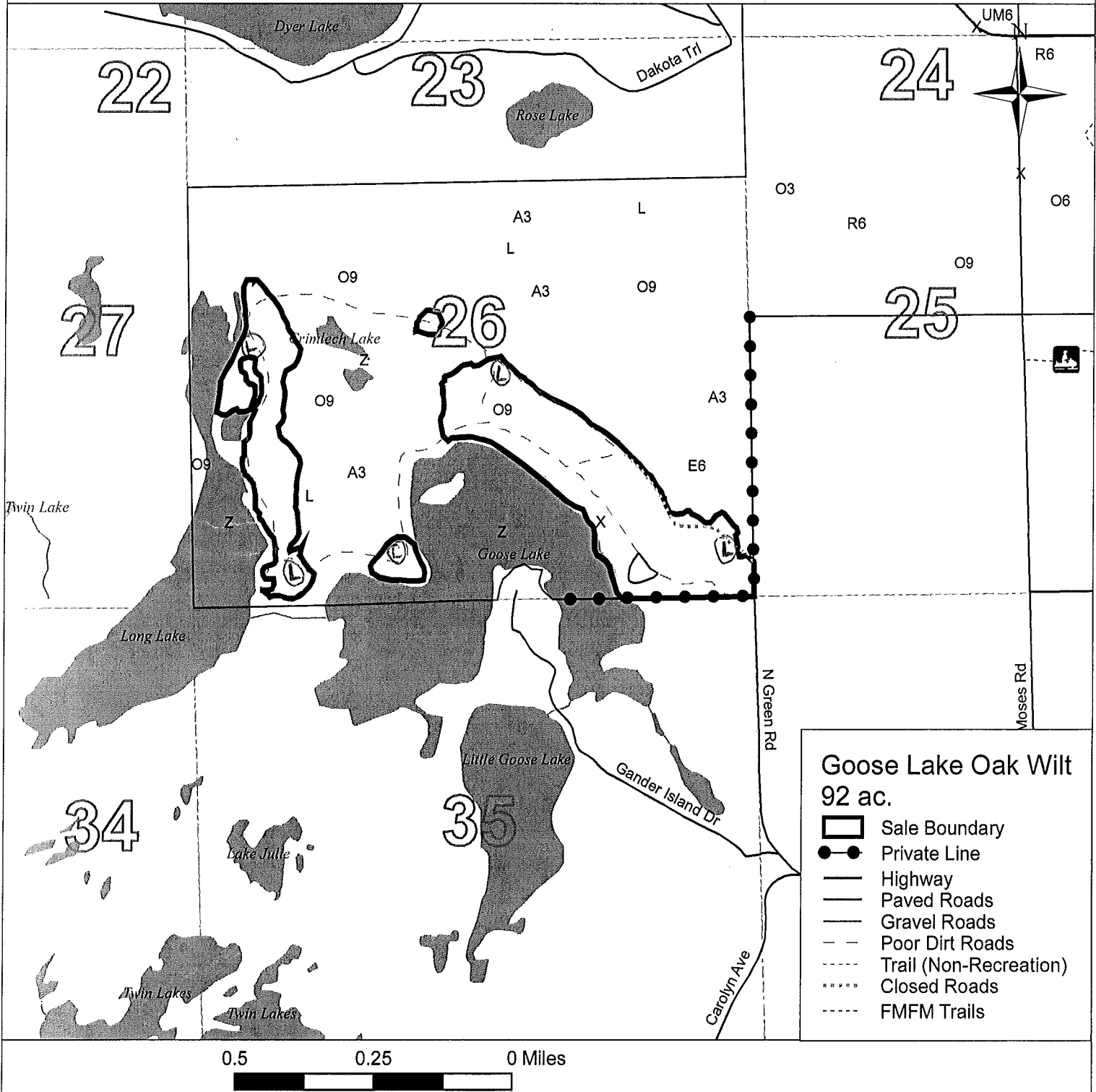
This information is provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER	YEAR
63-011-10-01	2011
DATE	PAGE OF
12/08/10	1 1

FOREST MANAGEMENT UNIT Cadillac	COUNTY Missaukee	MAPPED BY Jim Malloy
		CRUISED BY Church, Cotant, Malloy

TOWNSHIP 23N	RANGE 08W	SECTION(S) AND SUBDIVISION(S) Section 26, Various	1:15,840
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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			



Sale Specific Conditions & Requirements

Sale Name: Goose Lake Oak Wilt Sale Number: 63-011-11-01

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 private property are marked by a chain link fence on the south boundary. Exterior sale boundary lines against state are marked with red paint.

2 - Timber Specifications

2.1 - Included Timber

2.1.4 - Species designation unit(s) (12/08)

Within Payment Unit(s) 1, Red Oak is designated for cutting regardless of merchantability. Other cutting info. Within the boundaries of the State Forest Camp Ground (SFCG) all standing dead trees are also to be cut.

2.1.15 - Hazard trees near county roads (4/05)

Cut and remove all standing dead trees within 100 feet of the cleared portion of designated county roads. These cut snags may be utilized or must be scattered back into the sale area.

2.2 - Utilization

2.2.2 - Chipping required (1/11)

The area within the SFCG boundaries 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. 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 Oak Wilt infested 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). This is because of Oak Wilt.

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

4.1.12 - No new roads (6/10)

No new roads will be permitted in any Payment Unit. All operations are limited to existing roads. Skid trails only will be allowed.

4.2 - Maintenance

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.

4.2.5 - 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

5.1 - 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 to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 3 days in advance to schedule the conference.

5.1.4 - Post-sale conference (9/09)

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

5.2.1.1 - Slash within sale area (2/04)

No trees are to be felled outside the sale area and all slash is to be kept at least 10 feet back from the blue paint line.

5.2.1.10 - No slash in openings (5/10)

No brush or logging debris is to be left in the maintained SFCG Areas which are indicated signage on the ground. Any damage to the opening shall be repaired according to specifications of the Unit Manager or his/her representative.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 1, unless changed by written agreement, cutting, skidding, and hauling are limited to the period of December 15, 2010 to March 15, 2011 and all operations must be completed by 3/15/2011. This

Sale Name: Goose Lake Oak Wilt Sale Number: 63-011-11-01

restriction is due to the infestation of Oak Wilt in this area.

5.2.31 - Landing locations (10/09)

Recommended landing areas are marked on the timber sale map with the letter "L". Landings must be confined to these designated sites unless otherwise authorized by the Unit Manager or his/her representative.

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. This is due to aesthetic considerations near the SFCG.

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

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

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 Green Rd 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.

7 - Other Conditions

7.2 - Extensions

7.2.2 - No extensions (3/09)

There will be no extensions granted on this contract.

7.2.4 - Oak wilt extension (1/09)

This sale contains trees infected with oak wilt that must be harvested promptly. 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.

GOOSE LAKE OAK WILT (011-11-01)
T23N, R08W, SEC. 26, VARIOUS.
MISSAUKEE COUNTY

In response to the notice of sale to be held 3:00 p.m. on January 31, 2011, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species and total bid value must be at or above the appraised price. All non-responsive bid forms may be rejected.

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>BID PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>= VALUE</u>
SAWLOGS				
RED OAK	\$ 145.00/MBF	\$ _____ X	525.50 MBF	= \$ _____
PULPWOOD				
RED OAK	\$ 10.30/CORD	\$ _____ X	1,287.30 CORDS	= \$ _____
			SUBTOTAL 1	\$ _____

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

<u>SPECIES</u>	<u>APPRAISED PRICE</u>	<u>ESTIMATED VOLUME*</u>	<u>VALUE</u>
SAWLOGS			
MIX ASPEN	\$ 68.00/MBF	7.50 MBF	= \$ 510.00
PULPWOOD			
MIX ASPEN	\$ 13.35/CORD	108.10 CORDS	= \$ 1,443.14
			SUBTOTAL 2 \$ 1,953.14
			SUBTOTAL 1 + SUBTOTAL 2 = TOTAL BID VALUE \$ _____

*These volumes are statistically estimated within plus (+) or minus (-) 12.98%. 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



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