



**DEPARTMENT OF NATURAL RESOURCES  
STATE OF MICHIGAN**

**TIMBER SALE PROSPECTUS #5269**

SCHEDULED SALE DATE AND TIME: 11:00 a.m. (local time) on December 3, 2014.

LOCATION: GLADWIN MGMT UNIT, 801 N SILVERLEAF, GLADWIN, MI 48624.

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

THREE LAKES OAK (73-016-14-01) / T20N, R02W, SEC. 08, SE1/4; SWNE; SENE;.

T20N, R02W, SEC. 09, SESW; SWSW;.

Gladwin County, Advertised Price \$18,829.50, 80.0 Acres

SALE NOTE: 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. 10/01/2014):

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

Bids must be received by the Unit Manager, GLADWIN OFFICE, 801 N SILVERLEAF, GLADWIN, MI 48624, no later than 11:00 a.m. (local time) on December 3, 2014. For further information concerning this sale, contact Jason Hartman at 989-426-9205 extension 7640.

### 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 (6/13)

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 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](http://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 (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 (10/14)

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.

KEITH CREAGH

Director



## TIMBER SALE INFORMATION

### THREE LAKES OAK (73-016-14-01)

T20N, R02W, SEC. 08; T20N, R02W, SEC. 09.

Gladwin County (Advertised Price \$18,829.50)

SALE NOTE: 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 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 &amp; SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
Mixed Oak	52.90 MBF	\$ 101.00 / MBF
Red Oak	33.10 MBF	\$ 179.00 / MBF
Pulpwood		
Mixed Oak	381.00 Cords	\$ 6.70 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$5,009.00:

<u>PRODUCTS &amp; SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
Mixed Aspen	38.80 MBF	\$ 33.00 / MBF
Red Maple	7.60 MBF	\$ 47.00 / MBF
Pulpwood		
Mixed Aspen	104.00 Cords	\$ 12.10 / Cord
Red Maple	137.00 Cords	\$ 7.20 / Cord
Red Oak	43.00 Cords	\$ 26.20 / Cord

\* The total volume is statistically estimated within plus (+) or minus (-) 12.61 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 **\$2,000.00** to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
3. Total payment must be paid in advance or according to the following schedule:
  - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
  - (b) The 10% down payment will be credited towards the first unit cut.
  - (c) Payment for each of the following units must be made before cutting begins in that unit:
 

<u>PAYMENT UNIT NUMBER</u>	<u>PERCENT OF TOTAL SALE VALUE</u>
01	10%
02	36%
03	54%
4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on 03/31/2015.

## Sale Specific Conditions & Requirements

**Sale Name: Three Lakes Oak    Sale Number: 73-016-14-01**

### 1 - Sale Area

#### 1.2 - Boundaries

##### 1.2.1 - Painted boundaries (1/14)

The sale boundary and Payment Unit boundaries are marked and identified by blue, red, and yellow paint. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint.

### 2 - Timber Specifications

#### 2.1 - Included Timber

##### 2.1.1 - Clearcut unit(s) with unmerchantable trees (6/14)

Within Payment Unit(s) 1, cut all trees that are two (2) inches or more at DBH except all white oak and all red and white pine trees.

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

Within Payment Unit(s) 3, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition harvest all aspen and ash trees 2" inches DBH and greater.

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

Within Payment Unit(s) 2, all red oak and pin oak trees that are two (2) inches or more measured at DBH are designated for cutting regardless of merchantability. In addition harvest all trees marked with orange paint above and below stump height, regardless of merchantability.

##### 2.1.15 - Hazard trees near roads (7/13)

Cut and remove all standing dead trees within 100 feet of the cleared portion of all roads and campgrounds. These trees may be utilized.

#### 2.2 - Utilization

##### 2.2.2 - Chipping required (5/14)

The entire sale area must be chip harvested in order to reduce the amount of slash. The Purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. Products must 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. All tops must be moved to the landing areas using a forwarder and not a grapple skidder.

##### 2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall be cut as low to the ground as possible. Unless approved by the Unit Manager or his/her representative stump heights shall not exceed 4 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH.

##### 2.2.6 - Roundwood operation required (5/07)

The skidding of whole trees or tree segments with limbs attached is prohibited within the entire sale area. All products must be produced as roundwood and forwarded to existing roads or landing areas in final product length.

### 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. In addition, extreme care should be taken to avoid damage to tree seedlings and saplings.

Within the sale area, if more than 25% 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 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.

###### 4.1.7 - Road closure (10/11)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. Overgrown roads that are reopened shall be considered new roads. In general, this will require filling in the road with stumps and brush for the entire length of road that is to be closed. Contact the sale administrator for specific details of design and placement.

##### 4.2 - Maintenance

###### 4.2.3 - Road maintenance (8/13)

The following road maintenance is required: Within 60 days of completion of hauling, or if no hauling occurs for 60 days, the road must be maintained and graded. This includes cleaning of drainage areas, grading, crowning and filling with gravel, if necessary. Damages will be assessed if grading/repair does not occur.

#### **5 - Operations**

##### 5.1 - Notification

###### 5.1.1 - Pre-sale conference (10/11)

A pre-sale conference between the Purchaser and sale administrator is required prior to beginning the entire sale area. This conference must occur on site.

##### 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 20 feet back from the blue paint line. All slash is to be kept back at least 20 feet from the cleared portion of all roads and campsites.

###### 5.2.3 - Operating Restrictions

###### 5.2.3.10 - Gladwin Field Trial Area restriction (10/10)

Operations, including cutting, skidding and hauling, are only permitted between December 1 and March 15 unless permission is obtained from the Unit Manager or his/her representative.

###### 5.2.31 - Landing locations (9/13)

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.

###### 5.2.40 - Pathway protection (10/10)

The Trout Lake hiking trail is shown on the Timber Sale Map. Do not cut trees or damage posts with blue pathway markers. Maintain a 20-foot wide slash, debris, and rut free zone daily, using the pathway as the centerline. Do not run equipment down the pathway. Skidding across the trail may only occur in locations approved by the sale administrator.

##### 5.4 - Soil Protection

###### 5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

#### **7 - Other Conditions**

##### 7.2 - Extensions

###### 7.2.2 - No extensions (3/09)

There will be no extensions granted on this contract.





### TIMBER SALE MAP

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

Sale Number	Year
73-016-14-01	2014

Forest Management Unit <b>GLADWIN UNIT</b>	County <b>GLADWIN</b>	Marked & Cruised By <b>T. GALLAGHER</b>	Date <b>09/10/2014</b>	Page <b>1</b>	of <b>1</b>
Township <b>T20N</b>	Range <b>R02W</b>	Section(s) and Subdivision(s) <b>Section: 8, E1/2. Section: 9, SW 1/4</b>	Timber Sale Administrator: Tim Gallagher		
Mapped By <b>T. GALLAGHER</b>			Scale: [...1 inch.....] = 1/4 mile		

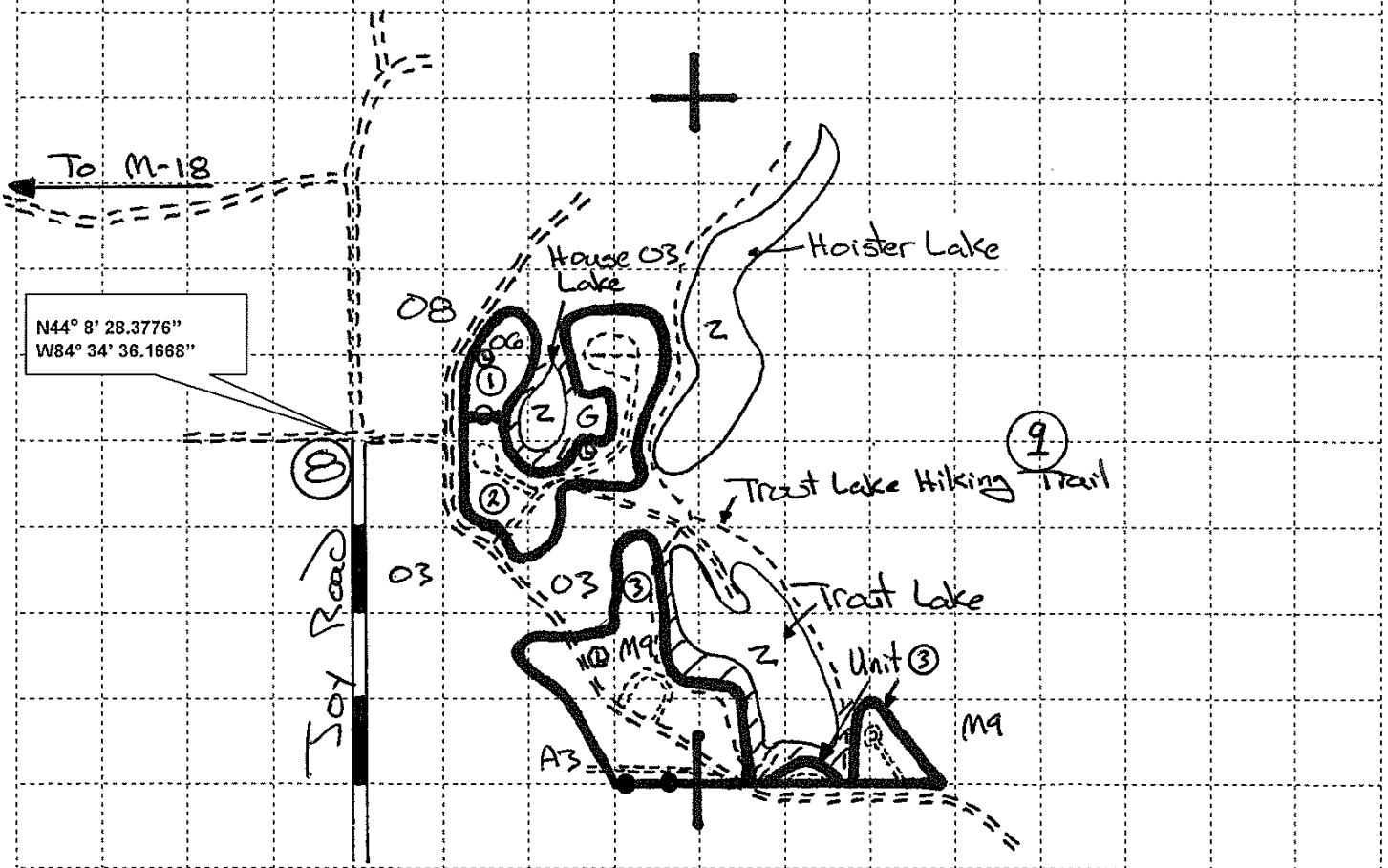
Cover Type				Density	
A = Aspen	G = Grass	O = Oak	U = Upland Brush	0 = Non Stocked	5 = Pole Timber Medium
B = Paper Birch	H = Hemlock	P = Lowland Poplar	V = Bog or Marsh	1 = Seedling Sapling Poor	6 = Pole Timber Well
C = Cedar	J = Jack Pine	Q = Mixed Swamp Cnfr	W = White Pine	2 = Seedling Sapling Medium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

**THREE LAKES OAK**  
**Gladwin County - Acres: 80**  
 Compartment 24

**ACRES:**  
 Unit 1 - 08 Acres  
 Unit 2 - 29 Acres  
 Unit 3 - 43 Acres

**LEGEND:**

- Sale Boundary - Red Paint
- Sale Boundary - Blue Paint
- Unit Boundary - Red Paint
- Survey Corner
- Possible Landing Location
- Payment Unit
- Retention Area
- Section Corners
- Gravel County Road
- Poor Dirt





THREE LAKES OAK (73-016-14-01)  
T20N, R02W, SEC. 08; T20N, R02W, SEC. 09, Gladwin County

In response to the notice of sale to be held 11:00 a.m. (local time) on December 3, 2014, 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 &amp; SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>	<u>BID PRICE</u>
Sawlogs			
Mixed Oak	52.90 MBF	\$ 101.00 / MBF	\$ _____ / MBF
Red Oak	33.10 MBF	\$ 179.00 / MBF	\$ _____ / MBF
Pulpwood			
Mixed Oak	381.00 Cords	\$ 6.70 / Cord	\$ _____ / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$5,009.00 :

<u>PRODUCTS &amp; SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
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Red Maple	137.00 Cords	\$ 7.20 / Cord
Red Oak	43.00 Cords	\$ 26.20 / Cord

\* The total volume is statistically estimated within plus (+) or minus (-) 12.61 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