

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #6495

SCHEDULED SALE DATE AND TIME: 8:30 a.m. (local time) on August 21, 2019. LOCATION: CRYSTAL FALLS MGMT 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:

Man Nor Beast Swamp 2 (12-006-19) / T43N, R27W, SEC. 1, N1/2NW.

T43N, R27W, SEC. 2, NENE.

T44N, R27W, SEC. 26, SWSW.

T44N, R27W, SEC. 27, SESE.

T44N, R27W, SEC. 35, NW, NWNE, S1/2NE, N1/2SE, SESE.

T44N, R27W, SEC. 36, NWSW,S1/2SW.

Dickinson County, Advertised Price \$4,208.00, 240.3 Acres, Spruce/Fir/Tamarack, Hardwood.

SALE NOTE: This sale has a 4 year duration. Road work is required; see specs 4.1.2, 4.1.5, and 5.2.17 for details. In addition to the road building needed to access sale area, there will be an extensive amount of snow plowing required. Spruce has received damage from Eastern Dwarf Mistletoe; see spec 7.5.1.

BID INSTRUCTIONS (VER. 07/02/2018):

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 August 21, 2019. For further information concerning this sale, contact Dan McNamee at 906-875-6622.

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 (7/18)

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 3 months after the first offense, 6 months after the second offense, and 1 year after the third offense. An offense will only be counted against the Bidder for 5 years. 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.

Payment Unit values in the State Forest Timber Sale Contract are calculated based on the advertised value of the Payment Unit as a percentage of the total advertised value of the contract. The advertised value of each Payment Unit is given in the Description of Timber by Payment Unit table on the Timber Sale Information page. For example, if the value of Payment Unit 1 is advertised as \$1,500 and the total Timber Sale value is advertised as \$10,000, the contract price for Payment Unit 1 will be 15% of the total bid price (\$1,500/\$10,000 * 100).

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.

DAN EICHINGER
Director

TIMBER SALE INFORMATION

Man Nor Beast Swamp 2 (12-006-19)

T43N, R27W, SEC. 1; T43N, R27W, SEC. 2; T44N, R27W, SEC. 26; T44N, R27W, SEC. 27; T44N, R27W, SEC. 35; T44N, R27W, SEC. 36.

SALE NOTE: This sale has a 4 year duration. Road work is required; see specs 4.1.2, 4.1.5, and 5.2.17 for details. In addition to the road building needed to access sale area, there will be an extensive amount of snow plowing required. Spruce has received damage from Eastern Dwarf Mistletoe; see spec 7.5.1.

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:

PRODUCTS & SPECIES	ESTIMATED UNITS*		ADVERTISED PRICE	
Pulpwood				
Balsam Fir	59.00	Cords	\$	1.00 / Cord
Black Spruce	1,858.00	Cords	\$	1.00 / Cord
Jack Pine	24.00	Cords	\$	1.00 / Cord
Mixed Hardwood	35.00	Cords	\$	1.00 / Cord
Tamarack	2,232.00	Cords	\$	1.00 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 6.84 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 \$5,000.00 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:

PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE
01	12.8%
02	26.1%
03	18.8%
04	15.3%
05	27.0%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 09/30/2023.

Description of Timber by Payment Unit (PU)

PU	MARKET GROUP	PRODUCT	QUANTITY	UNIT	ACRES	ADVERTISE PRICE
1	Balsam Fir	Pulpwood	1.0	Cords	39.0	\$540.00
	Black Spruce		489.0	Cords		
	Jack Pine		2.0	Cords		
	Mixed Hardwood		6.0	Cords		
	Red Maple		6.0	Cords		
	Tamarack		42.0	Cords		
2	Balsam Fir	Pulpwood	7.0	Cords	54.6	\$1,100.00
	Black Spruce		339.0	Cords		
	Tamarack		754.0	Cords		
3	Balsam Fir	Pulpwood	19.0	Cords	48.3	\$793.00
	Black Spruce		294.0	Cords		
	Tamarack		480.0	Cords		
4	Balsam Fir	Pulpwood	16.0	Cords	38.4	\$645.00
	Black Spruce		275.0	Cords		
	Mixed Hardwood		1.0	Cords		
	Paper Birch		1.0	Cords		
	Tamarack		353.0	Cords		
5	Balsam Fir	Pulpwood	16.0	Cords	60.0	\$1,130.00
	Black Spruce		461.0	Cords		
	Jack Pine		22.0	Cords		
	Mixed Hardwood		28.0	Cords		
	Balsam Poplar		8.0	Cords		
	Paper Birch		20.0	Cords		
	Tamarack		603.0	Cords		
		TOTAL:	4,208.0	Cords		

Sale Specific Conditions & Requirements

Sale Name: Man Nor Beast Swamp 2 Sale Number: 12-006-19 Seq#: 2

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. The painted boundary line trees are not Included Timber and are to be protected. 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 (6/14)

Within Payment Unit(s) 1-5, cut all trees that are two (2) inches or more at DBH, except do not cut cedar, hemlock, white pine, and red pine.

2.2 - Utilization

2.2.6 - Roundwood operation required (5/07)

The skidding of whole trees or tree segments with limbs attached is prohibited. All products must be produced as roundwood and forwarded to existing roads or landing areas in final product length. This is to retain seed source of regenerating stand.

4 - Transportation

4.1 - Construction

4.1.1 - Stream crossings, general (3/11)

All stream crossing structures will be temporary and therefore, shall be provided by the Purchaser, and must be removed upon completion of the sale. All permits for stream crossings will be provided by the DNR.

4.1.2 - Stream crossings, specific (3/11)

If the sale is accessed from the north, the installation of a portable bridge may be necessary. This installation will be performed in accordance with the specifications on the appropriate permits which shall be provided by the DNR.

4.1.5 - Culverts (5/14)

If the sale is accessed from the north, the installation of a temporary culvert may be needed. The location of the culvert is shown on the Timber Sale Map, and it shall be installed prior to hauling. The culvert shall be new, corrugated metal or plastic gauge. Culverts will be a minimum of 12 inches in diameter and 24 feet in length. If culverts are removed, fill shall be removed from wetland soils as specified. Soils shall be maintained and left in a non-erodible condition, with water bars, seed, fertilizer, mulch, and slash installed as directed by the sale administrator and as specified in the BMP manual. Stream crossing permits, if needed, will be obtained by the DNR.

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 scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. 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.

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. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. These roads must be rendered impassable to cars and trucks. Contact the sale administrator for specific details of design and placement.

4.2 - Maintenance

4.2.4 - Grading (10/16)

If hauling occurs during non-frozen conditions, all state managed haul roads must be graded with a road grader or bull dozer. This includes cleaning of drainage areas, grading, crowning and filling with gravel, if necessary. The grading equipment to be used must be approved by the Unit Manager or his/her representative.

5 - Operations

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.13 - Dispose of slash as directed (12/05)

Slash is to be disposed of as directed by the sale administrator.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) 1-5, unless changed by written agreement, cutting and skidding are limited to frozen ground conditions. This restriction is due to the wet soils.

5.2.4 - Dead and Down Creation

5.2.4.2 - Dead and down creation, hare and grouse (1/14)

To improve habitat for snowshoe hare, grouse, and other species, the Purchaser is to leave two piles of slash on the ground for every Payment Unit. Each pile will be scattered throughout the unit and measure a minimum of 6 feet wide by 6 feet tall.

5.2.17 - Timber Mats and Interlocking Composite Mats (3/18)

If the sale is accessed from the north, the stream crossing shown on the Timber Sale Map may require extra protection, such as that afforded by timber mats, interlocking composite mats, or another approved system. If available, mats may be borrowed from the DNR. A Timber Sale Contract Supplement will be used to document the Purchaser's use of the DNR's mats. Contact the sale administrator regarding availability and pick-up. Timber mats are available from various field offices. Composite mats are only available from the Grayling field office. The Purchaser is responsible for picking up and hauling the mats to and from the site. The composite mats will require DNR staff onsite for installation and removal. Contact the sale administrator to schedule at least 30 days before desired install/removal date. All mats must be cleaned prior to drop off. This may include, but is not limited to, power washing and brushing to remove mud and debris. A charge of \$400.00 per timber mat and \$2,000.00 per composite mat will be assessed for all damaged or non-returned mats. Damage for the crane/timber mats is defined as three or more broken cants. Damage for the composite mats is defined as cracked or broken mats

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.

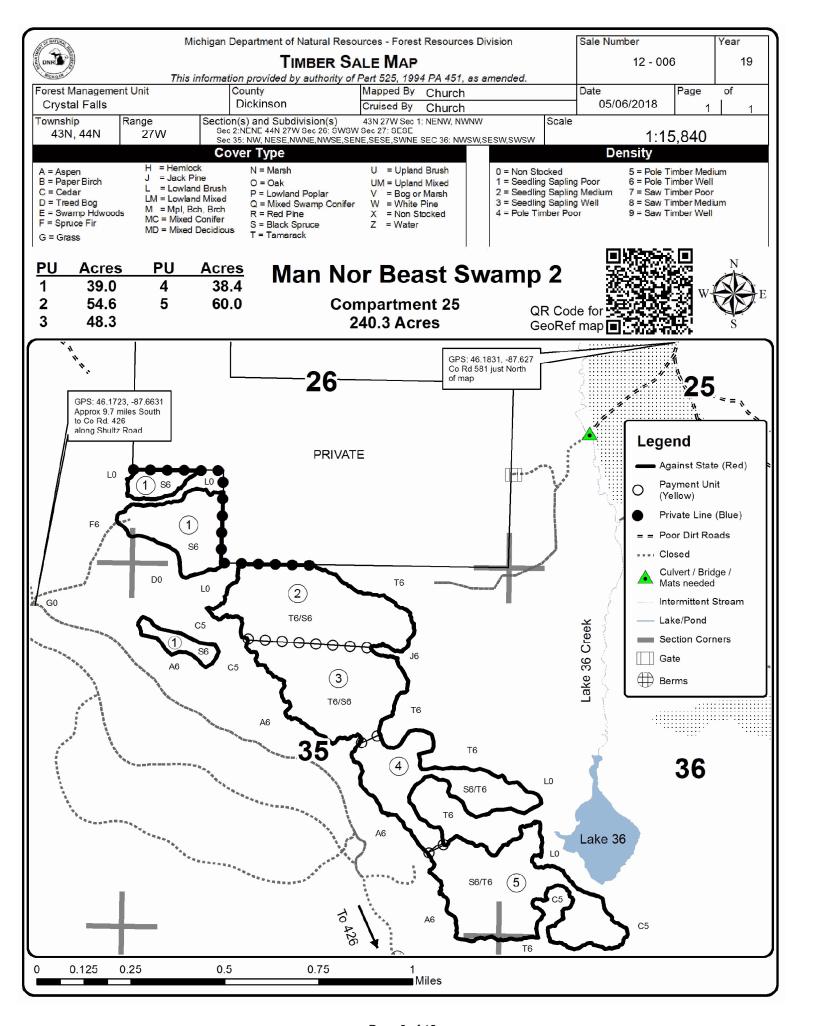
7 - Other Conditions

7.5 - Loss

7.5.1 - Deteriorating timber (7/09)

The sale area has received damage from Eastern Dwarf Mistletoe. The Purchaser should harvest the wood as soon as possible. The Department of Natural Resources is held free of responsibility of any further damage or deterioration due to delay in harvesting.

Section Name: Sale Specific Current as of 3/14/2019 11:06:39AM



BID FORM

CRYSTAL FALLS MANAGEMENT UNIT
CRYSTAL FALLS OFFICE

Man Nor Beast Swamp 2 (12-006-19)

T43N, R27W, SEC. 1; T43N, R27W, SEC. 2; T44N, R27W, SEC. 26; T44N, R27W,

In response to the notice of sale to be held 8:30 a.m. (local time) on August 21, 2019, 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*	<u>ADV</u>	<u>'ERTISED PRICE</u>	BID PRICE/UNIT
Pulpwood					
Balsam Fir	59.00	Cords	\$	1.00/Cord	\$
Black Spruce	1,858.00	Cords	\$	1.00/Cord	\$
Jack Pine	24.00	Cords	\$	1.00/Cord	\$
Mixed Hardwood	35.00	Cords	\$	1.00/Cord	\$
Tamarack	2,232.00	Cords	\$	1.00/Cord	\$

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 biddi					
	Company representative's name:					
	Address:					
	City:	State:	Zip:			
IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.						
Individua	dual or company representative's signature: Date:					
Phone ni	e number · Email (ontional):					

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

^{*}The volumes are statistically estimated within plus (+) or minus (-) 6.84 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.



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.					
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)