

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

Notice is hereby given that bids will be received by the Unit Manager, LAPEER STATE GAME AREA, for certain timber on the following described lands:

> LAPEER GROUSE CUTS / T08N, R10E, SEC. 05, SW1/4. T08N, R11E, SEC. 18, NE1/4 LAPEER COUNTY (Minimum Total Bid \$1,700.00)

SALE DATE AND TIME: 1:00 p.m. on March 9, 2009.

LAPEER STATE GAME AREA

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

1. <u>Bid Location, Date, and Time:</u> Bids must be received by the Holly Recreation Area Office, 8100 Grange Hall Rd., Holly, MI 48442, no later than 1:00 p.m. on March 9, 2009. For further information concerning this sale, contact Julie Oakes at (248)328-8113.

2. <u>Bidder's Qualifications</u>: 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 <u>not permitted</u> 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. <u>Preparation of Sealed Bids</u>: 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. <u>Submission of Sealed Bids</u>: Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an <u>envelope clearly identified</u> 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. <u>Public Opening of Sealed Bids</u>: 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. <u>Down Payment</u>: 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. <u>Performance Security</u>: 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. <u>Timber Sale Contract</u>: Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at <u>www.michigan.gov/dnr</u>. 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. <u>Disclaimer of Estimates and Bidder's Warranty of Inspection</u>: 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. <u>Certification and Chain-of-Custody</u>: 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

LAPEER GROUSE CUTS (001-09-01)

A timber sale contract for this <u>LUMP SUM SEALED</u> 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:

SPECIES	ESTIMATED VOLUME*	APPRAISED PRICE
SAWLOGS		
MIX HARDWD	17.00 ACRES	\$100.00/ACRES

Although this sale is being offered on a per acre basis, we do have volume estimates for the products present on these 17 acres. The estimated volumes are listed by species and product below.

SPECIES	ESTIMATED	VOLUME*
SAWLOGS		
B.T. ASPEN	80.50	MBF
RED MAPLE	9.80	MBF
RED OAK	19.70	MBF
WHITE OAK	13.50	MBF
ASH	4.30	MBF
BLACK CHERRY	4.30	MBF
PIN OAK	4.50	MBF
RED PINE	3.70	MBF
WHITE ASH	5.10	MBF
BLACK OAK	2.60	MBF
WHITE PINE	1.50	MBF
PULPWOOD		
B.T. ASPEN	67.00	CORDS
RED MAPLE	41.00	CORDS
RED OAK	13.00	CORDS

WHITE OAK	19.00	CORDS
ASH	16.00	CORDS
BLACK CHERRY	12.00	CORDS
PIN OAK	8.00	CORDS
RED PINE	8.00	CORDS
WHITE ASH	4.00	CORDS
WHITE PINE	1.00	CORDS

*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 \$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.
- 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 31, 2010.







Sale Specific Conditions & Requirements

Sale Name: Lapeer Grouse Cuts Sale Number: 28-001-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)The sale boundary is marked and identified by blue 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 species of 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

2.2.4 - Skidding length (2/09)Skidding of lengths over 17 feet is not permissible.

4 - Transportation

4.1 - Construction

4.1.7 - Road closure (4/07)

All new roads built into the sale must be blocked to vehicle (including cars, trucks, ORV, snowmobile) traffic upon completion of the sale. In general, this will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth.

4.2 - Maintenance

4.2.3 - Road maintenance (9/08)

The following road maintenance is required: all work roads must be maintained in a condition as good as or better than the condition prior to beginning of operation.

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.

Sale Name: Lapeer Grouse Cuts Sale Number: 28-001-09-01

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

5.2.1.1 - 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 boundary paint line.

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.

5.2.31 - Landing locations (12/08)

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.

5.2.37 - No decking areas (12/08)

No decking is allowed within 50 feet of anamed road or highway without permission from 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 on skid trails which is 6 inches or greater in depth and 25 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

7.10 - Certified Timber

7.10.1 - Non-certified timber (12/05)

The area encompassed by this timber sale is not certified to the standards of the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI). Forest products from this sale may not be delivered to the mill as "FSC and / or SFI certified". The lands within this sale are managed as a State Game Area.

LAPEER STATE GAME AREA LAPEER

LAPEER GROUSE CUTS (001-09-01)

LAPEER COUNTY

In response to the notice of sale to be held 1:00 p.m. on March 9, 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.

SPECIES	APPRAISED PRICE	BID PRICE	х	ESTIMATED	VOLUME*	= VALUE
SAWLOGS						
MIX HARDWD	\$100.00/ACRE	\$	x	17.00 ACR	RES = S	\$

TOTAL BID VALUE \$_____

*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

FOR DEPARTMENT USE ONLY

Sale or Permit No

Year:

Forest Area:

Type:

As required by Act 317, P.A. 1969 (Worker's Compensation) and Part 525 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 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 <u>one</u> of the boxes below):

- A. Sole Proprietorship (individual)
- B. D Partnership
- C. Corporation
- 2. You **must** check <u>one</u> 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)	Federal ID (or) Social Security No.		
Address		Telephone No.			
City	State		Zip + 4		
	ve information is true and correct. present and future operations.	I agree to notify the D	NR of any changes that occ	ur in factors affecting my	
Signature of Owner or A	uthorized Representative				
Title		Dat	ie.		

PR 4031-5 (Rev. 05/03/2005)