

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #5901

SCHEDULED SALE DATE AND TIME: 9:00 a.m. (local time) on June 15, 2017.

LOCATION: PIGEON RIVER COUNTRY MGMT UNIT, 9966 TWIN LAKES RD, VANDERBILT, MI 49795.

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, PIGEON RIVER COUNTRY MANAGEMENT UNIT, for certain timber on the following described lands:

Scenic Hardwoods (53-004-17)

Otsego County, Advertised Price \$21,229.40, 93.6 Acres, Hardwood.

BID INSTRUCTIONS (VER. 09/02/2016):

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

Bids must be received by the Unit Manager, PIGEON RIVER COUNTRY OFFICE, 9966 TWIN LAKES RD, VANDERBILT, MI 49795, no later than 9:00 a.m. (local time) on June 15, 2017. For further information concerning this sale, contact Scott Whitcomb at 989-983-4101.

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 (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. 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 (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.

KEITH CREAGH Director

TIMBER SALE INFORMATION

Scenic Hardwoods (53-004-17)

Otsego County (Advertised Price \$21,229.40)

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	ESTIMATE	D UNITS*	ADV	ERTISED PRICE
Sawtimber				
Basswood	27.20	MBF	\$	98.00 / MBF
Beech	28.60	MBF	\$	84.00 / MBF
Red Oak	19.80	MBF	\$	162.00 / MBF
Sugar Maple	6.90	MBF	\$	528.00 / MBF
Pulpwood				
Basswood	61.00	Cords	\$	8.25 / Cord
Beech	256.00	Cords	\$	17.65 / Cord
Mixed Hardwood	243.00	Cords	\$	17.65 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 19.41 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 \$1,061.00 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.
- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2018.

Description of Timber by Payment Unit (PU)

PU	MARKET GROUP	PRODUCT	QUANTITY	UNIT	ACRES	ADVERTISE PRICE
1	Basswood	Sawtimber	8.8	MBF	30.3	\$6,848.65
	Beech		9.3	MBF		
	Red Oak		6.4	MBF		
	Sugar Maple		2.2	MBF		
	Basswood	Pulpwood	20.0	Cords		
	Beech		83.0	Cords		
	Mixed Hardwood		78.0	Cords		
	Red Maple	Sawtimber	0.2	MBF		
	Ironwood	Pulpwood	4.0	Cords		
	Red Maple		17.0	Cords		
	Red Oak		11.0	Cords		
	Sugar Maple		46.0	Cords		
2	Basswood	Sawtimber	10.2	MBF	35.1	\$7,960.30
	Beech		10.7	MBF		
	Red Oak		7.4	MBF		
	Sugar Maple		2.6	MBF		
	Basswood	Pulpwood	23.0	Cords		
	Beech	-	96.0	Cords		
	Mixed Hardwood		91.0	Cords		
	Red Maple	Sawtimber	0.2	MBF		
	Ironwood	Pulpwood	5.0	Cords		
	Red Maple		19.0	Cords		
	Red Oak		13.0	Cords		
	Sugar Maple		54.0	Cords		
3	Basswood	Sawtimber	8.2	MBF	28.2	\$6,402.80
	Beech		8.6	MBF		
	Red Oak		6.0	MBF		
	Sugar Maple		2.1	MBF		
	Basswood	Pulpwood	18.0	Cords		
	Beech		77.0	Cords		
	Mixed Hardwood		73.0	Cords		
	Red Maple	Sawtimber	0.2	MBF		
	Ironwood	Pulpwood	4.0	Cords		
	Red Maple		16.0	Cords		
	Red Oak		10.0	Cords		
	Sugar Maple		43.0	Cords		
		TOTAL:	82.5	MBF		

Sale Specific Conditions & Requirements

Sale Name: Scenic Hardwoods Sale Number: 53-004-17 Seg#: 1

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (1/14)

The sale boundary is marked and identified by blue and red 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 retention areas are marked with a red X. Pickerel Lake Road forms the unpainted Payment Unit boundary between Payment Unit #'s 1 & 2 and Payment Unit #'s 2 & 3. The painted boundary line trees are not Included Timber and are to be protected, unless marked with orange paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) #'s 1-3, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition, cut all beech trees. Do not cut any trees marked with green paint.

2.2 - Utilization

2.2.6 - Roundwood operation required (5/07)

The skidding of whole trees or tree segments with limbs attached is prohibited within Payment Unit(s) #'s 1-3. All products must be produced as roundwood and forwarded to existing roads or landing areas in final product length.

2.2.7 - Uncut designated trees (2/04)

Liquidated damages of \$5.00 per tree will be assessed for every marked tree not cut.

In addition, all saplings must be cut down in the small patch clearcuts which are scattered throughout the Sale Area. Most of these saplings have been marked with orange paint.

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.

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.

In addition, caution must be used to prevent any damage to oak saplings and poletimber. Some of these trees have been marked with green paint to aid in identification.

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.

4.1.4 - Timber removed for construction (12/09)

Trees cut or damaged in the process of pre-approved road, landing or skid trail construction will be decked in an area separate from other Designated Timber and not removed until measured by the sale administrator. Payment will be made at the specified Purchase Unit Price.

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 constructing a four (4') foot high berm of stumps and logs covered with earth. All stumps from road building and landing construction must be reserved to block any newly constructed roads upon completion of the sale. These stumps must be scattered along the road system to prohibit vehicular movement. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days. Contact the sale administrator for specific details of design and placement.

4.2 - Maintenance

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

5.2 - Conduct of Operations

5.2.1 - Slash

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.

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (10/16)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (9/11)

Within Payment Unit(s) #2, cutting, skidding, and hauling are not permitted during the period of March 15 to July 15. This restriction is because of an active red-shouldered hawk nest within the area.

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) #'s 1-3, cutting and skidding are not permitted during the period of April 1 to July 15. This restriction is because of bark slippage.

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 (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 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.

5.4.2 - Skid trails (2/04)

Skid trails up and down slopes should be avoided. If however this is unavoidable, these trails will be left in a non-erodible condition using water bars, logs, and slash. Placing of slash on these skid trails while logging is ongoing may alleviate need for any further action. At the direction of the sale administrator, seed, fertilizer, and mulch may also be required.

5.8 - Protection of Endangered Species

5.8.5 - Protection of raptor nests (3/13)

All trees with raptor nests will be protected if found during harvesting operations. Notification will be made to the Unit Manager or his/her representative who will notify the Wildlife Biologist so an on-site evaluation and recommendation can be

made, if necessary.

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 Pickerel Lake Road prior to beginning operations. The road must be posted at appropriate distances both north and south of the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

7 - Other Conditions

7.2 - Extensions

7.2.6 - Forest health extension (6/13)

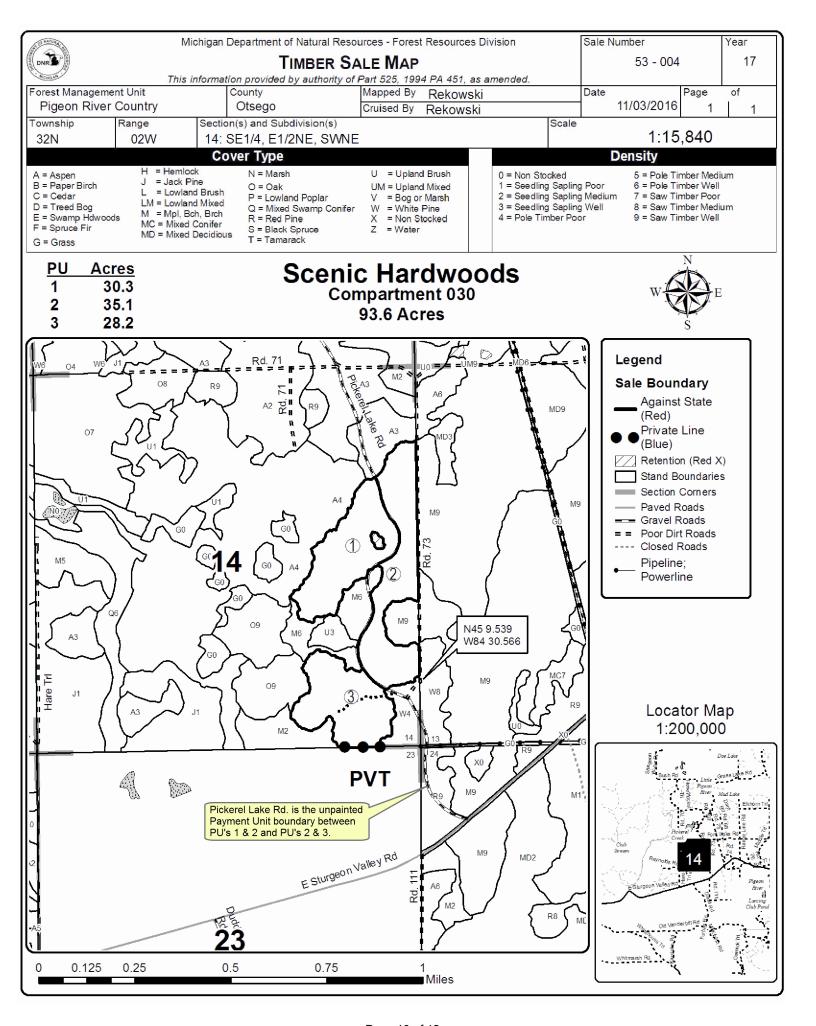
This sale has been affected by beech bark disease (BBD). It is considered at high risk for mortality and/or loss of timber value. The sale must be harvested promptly. One (1), twelve (12) month extension can be applied to one (1) other State Forest Timber Sale Contract owned by the purchaser or owned by one (1) designated sub-contractor of the Purchaser that works this contract. To qualify, the contract expiration date of the contract to be extended must be within twelve (12) months from the issue date of this contract. If this is the first extension on the other State Forest Timber Sale Contract, then the 5% extension fee will be waived. If this is an additional extension, the 10% fee will be reduced to 5%. The forest health extension must be used before this contract is closed-out. This specification does not alleviate the purchaser from any contractual obligations of the extended State Forest Timber Sale Contract. Per General Condition & Requirement 7.2, extensions are at the sole discretion of the DNR.

7.5 - Loss

7.5.1 - Deteriorating timber (7/09)

The sale area has received damage from beech bark disease. 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 5/16/2017 8:02:57AM



EEDEDAI ID:

BID

PIGEON RIVER COUNTRY MANAGEMENT UNIT PIGEON RIVER COUNTRY OFFICE

Scenic Hardwoods (53-004-17) ; Otsego COUNTY

In response to the notice of sale to be held 9:00 a.m. (local time) on June 15, 2017, 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>A</u> E	VERTISED PRICE	BID PRICE
Sawtimber				
Basswood	27.20 MBF	\$	98.00/MBF	\$
Beech	28.60 MBF	\$	84.00/MBF	\$
Red Oak	19.80 MBF	\$	162.00/MBF	\$
Sugar Maple	6.90 MBF	\$	528.00/MBF	\$
Pulpwood				
Basswood	61.00 Cords	\$	8.25/Cord	\$
Beech	256.00 Cords	\$	17.65/Cord	\$
Mixed Hardwood	243.00 Cords	\$	17.65/Cord	\$

*The volumes are statistically estimated within plus (+) or minus (-) 19.41 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.

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	R:	
	Company or individual bidding:				
	Company representative's name:				
	Address:				
	City:	State:	Zip:		
ا IF AVAIL	ABLE, PLEASE PLACE	THE PERSONALIZED LABEL	FROM YOUR PROSE	PECTUS IN THE ABOVE BOX.	_
Individual or company representative's signature: Date:					
Phone nu	Phone number : Email (optional):				

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



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	Federal 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)