

TIMBER SALE PROSPECTUS

Silver Mule

TIMBER SALE

FLATHEAD NATIONAL FOREST

Spotted Bear

RANGER DISTRICT

INTRODUCTION: This prospectus is to furnish sufficient information, in addition to that contained in the published advertisement, to enable prospective bidders to decide whether further investigation of the sale is warranted. Descriptions, estimates and other data in this prospectus are not part of the contract unless otherwise stated. In event the prospectus is in error, or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and to make their own estimates. Estimated quantities in the contract are not guaranteed. Sale area and sample contract should be inspected before submitting a bid. The appraisal, other information on the timber, and conditions of sale and bidding may be obtained at the Forest Service offices named in this prospectus.

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|---|--|------------------|--|---|
| BID DATE: | August 10, 2016 | 2:00 P.M. | BIDDING METHOD (2) | Sealed Bids followed by Oral Auction |
| PLACE: | Flathead National Forest , Forest Supervisors Office, 650 Wolfpack Way, Kalispell, MT 59901 | | | |
| TERMINATION DATE (5): | September 30, 2018 | | NORMAL OPERATING SEASON: | July 15 to September 30 |
| ADVERTISED STUMPAGE VALUE: | \$1.02/Ton Sawtimber \$0.35/Ton Non Sawtimber | | LOCATION OF SALE (3): | Portions of Sections 2,3,4,7,8,9,10,11,16,17,18,20,21,22,26, 27,28,and PB44,45,46 of T25N, R15W, Flathead County, State of Montana, PMM |
| APPROXIMATE HAUL DISTANCE: | 66 miles | | TYPE OF CONTRACT (1): | 2400-6 |
| EST. TOTAL VOLUME (Tons) (4): | 11,344 Tons Sawtimber | | TOTAL ACRES IN CUTTING UNITS (3): | 314 |
| | 3,566 Tons Non Sawtimber | | TOTAL NUMBER OF CUTTING UNITS (3): | 16 |
| SBA SET ASIDE SALE? (2, 12) (500 Employees or less): | No | | SSTS SET ASIDE SALE? (2,12) (25 employees or less): | No |
| URGENT REMOVAL SALE? (16) (CTA may apply to other sales) | No | | CONTAINS TIMBER FROM UNCOMPLETED CONTRACT? (2): | No |
| SALE AREA IMPROVEMENT WORK INCLUDED IN ADVERTISED VALUE (4): (Base Rates) | \$0.00 | | INCREASE IN APPRAISED VALUE TO REACH BASE RATES (4): | \$0.26/Ton |
| MILES OF SPECIFIED ROAD WORK (C & R) (8): | 0 | | ROAD COMPLETION DATE (8): | N/A |
| NUMBER OF DAYS ALLOWED TO AWARD CONTRACT FOR OPTED ROADS (8): | N/A | | SPECIFIED ROAD CONSTRUCTION COST ALLOWANCE (8): | \$0.00 |
| CONTRIBUTED FUNDS TO PARTIALLY OFFSET APPRAISED DEFICIT (8) | \$0.00 | | PUBLIC WORKS ESTIMATED CONSTRUCTION COST (8): | \$0.00 |
| SUPPLEMENTAL ROAD CONST. FUNDS: | \$0.00 | | PURCHASER SHARE OF HIGHER STANDARD ROAD (8): | \$0.00 |

OTHER REQUIRED DEPOSITS (2, 4, 6, &):

| | | | |
|--|-----------------------------|-------------------------------|---|
| BID GUARANTEE: | \$1,300.00 | DOWNPAYMENT: | 10% of Advertised value plus 20% of bid premium |
| SLASH DISPOSAL: | \$3,231.00 Lump Sum payment | ROAD MAINTENANCE: | \$1.50/ Ton |
| PERIODIC PAYMENT DATES SPECIFIED IN A24 or AT21 (6): | | SURFACE REPLACEMENT: | \$2.82/ Ton |
| FIRST PAYMENT DUE: | Approximately 8/31/2017 | ROAD RECONSTRUCTION DEPOSITS: | \$0.00 |
| SECOND PAYMENT DUE: | | | |
| MIN. PERFORMANCE BOND: | \$24,000.00 | | |

Bids must be submitted on prepared forms that can be obtained from the District Ranger, Hungry Horse/Glacier View/Spotted Bear Ranger District Office, Hungry Horse, MT 59919. or from the Contracting Officer, Supervisor's Office Kalispell, MT 59901.

ESTIMATED VOLUME AND SALE STATISTICS:

| Species | Base Rates | Advertised Rates | Est. Volume (Tons) | Est. Volume (CCF) | Vol./Ac. Tons | Defect % | Avg. DBH | Gross Logs/ CCF |
|-----------------------------------|------------|------------------|--------------------|-------------------|---------------|----------|----------|-----------------|
| LP (sawtimber) | \$1.02/Ton | \$1.02/Ton | 749 | 248 | 2.39 | 8.7 | 8.5 | 18.7 |
| DF & Other (sawtimber) | \$1.02/Ton | \$1.02/Ton | 10,595 | 3,545 | 33.74 | 12 | 13.0 | 14 |
| Combined softwood (non-sawtimber) | \$0.35/Ton | \$0.35/Ton | 3,566 | 1,260 | 11.36 | N/A | N/A | N/A |
| TOTAL | | | 14,910 | 5,053 | | | | |

GENERAL INFORMATION:

1. Note: Provide your **TAX IDENTIFICATION NUMBER (TIN) in the signature block of the bid form.**
2. Contract provision B8.64 – Debarment and Suspension Certification (6/06) requires Purchasers to obtain certifications from its lower tier participants regarding debarment, suspension, ineligibility and voluntary exclusions after award of the contract. Purchasers shall keep the certifications on its lower tier covered transactions on file until sale termination date, and will provide a copy to the Forest Service at the written request of the Contracting Officer. An example of this certification is shown following the instructions for page 101 of this contract.
3. Corporations submitting an offer under this solicitation must include form AD-3030-FS Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Application.
4. This is a deficit sale. The appraised stumpage rates have been increased by \$23,023.51 to reach base rates.
5. A Prewrite conference is required annually before the commencement of work. The Purchaser shall arrange for this meeting with the Contracting Officer. (C6.10)
6. As per B4.213, Periodic Payment Schedule, periodic payments will be required. The approximate periodic payment date is 08/31/2017. The final date will be based on the award date of this timber sale contract.
7. Non-Sawtimber removal from Sale Area is Mandatory (C2.2#).
8. This contract includes a Lump Sum BD collection of \$3,231.00. Payment is charged by unit at the conclusion of skidding in each unit. (C4.228#)
9. The Sale Area contains Cultural, Wildlife and Botanical resources which must be protected. Refer to C6.24# for specific requirements.
10. Washing of equipment prior to entering the Sale Area is required in order to prevent the spread of noxious weeds (C6.351#); an allowance for this is NOT made in the appraisal.
11. See C6.316# - Limited Operating Period (5/05) for timing Constraints.
12. See C6.4 – Conduct of Logging for Subdivision assignments and order of operation requirements. Subdivision 3 can be operated simultaneously with other subdivisions.
13. This sale will be sold by the ton and 100% weight scaled with split pricing for Sawtimber and Non-Sawtimber.
14. The appraisal for the sale was based on Sawtimber volume only (road maintenance rates are calculated with Non-Sawtimber volume included).
15. Dust abatement treatment (C5.314#) specifying the use of Mag Chloride includes an allowance for two treatments of required locations. Total cost allowance for these segments including surface preparation is \$3,972.00.
16. Road Maintenance and Surface Replacement deposits will be collected for a total of \$4.32/TON. \$1.50/TON for recurrent maintenance and \$2.82/TON for Surface replacement.
17. Camping permit required camping will occur in designated areas. B6.2.
18. The environmental document that approved this sale is the Spotted Bear River Decision Notice signed August 5, 2011. Amended by the Spotted Bear River SIR in June 2016.
19. Use of Roads by Purchaser (C5.12#), includes restrictions specifically to bridges that are on the designated haul routes. All vehicles crossing bridges on the East Side Reservoir road (38) must comply with and meet the Federal Bridge Formula weight Limits, and not exceed a maximum gross vehicle weight of 100,000 lbs. on the Spotted Bear River Bridge (MP 53.171) and 120,000 lbs. on all other bridges as established in 23 U.S.C. 127, 23 CFR 658 and MCA 61-10-107.

In addition to the Federal Bridge Formula Weight Limits, the Federal and Montana laws stat that single axles are limited to 20,000 lbs. and axles closer than 96 inches apart (tandem axles) are limited to 34,000 lbs.

Any vehicle that exceeds any of preceding weight limitations, must apply for a Forest Service overload permit.

The Forest Service will notify Purchaser of acceptance or denial of an overload request received during the advertisement period, within 14 business days from date of submittal of an overload application.

Overload permit applications are attached to the Prospectus and are also available from the Forest Supervisor's Office in Kalispell, MT.

20. Contact the Spotted Bear Ranger District Office at 406-758-5376 to request access for viewing units on gated roads.

21. **Bidding.** This is an Oral Auction sale. Bidders must submit initial bids on prepared forms they can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid the form of cash, a bid bond on form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

Weighted Average Stumpage Rate Bidding: Prospective purchasers must submit bids in terms of the weighted average stumpage rate. The bid form states minimum acceptable rates and estimated quantities of timber together with the minimum acceptable weighted average rate. The advertised minimum acceptable weighted average rate is only for the biddable species, as listed on the bid form in the upper section of block 14. It does not include any non-biddable, fixed rate species listed in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." The bidder should enter the offer in the bid form only in terms of weighted average stumpage. This Forest Service shall conduct auction bidding only in terms of weighted average stumpage. The Forest Service shall establish bid rates by species in the contract by multiplying each species' minimum acceptable bid rate by the bid increase percentage. Such rates will be rounded to the nearest cent. This bid increase percentage is the bidder's weighted average bid rate divided by the minimum acceptable weighted average rate. The total amount for stumpage is the volume of each biddable species multiplied by its bid rate, plus the volume of each fixed rate species multiplied by its fixed rate.

22. **Payment.** Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. The Purchaser may transfer purchaser credit into the contract, or provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. The Purchaser shall make advance deposits in accordance with provision B4.212 – Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the total advertised value plus 20 percent of the bid premium. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment as the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover the other obligations due on the sale until conditions stated in the contract for release of downpayment have been met. Refer to the sample contract for the specific conditions.

23. **Road Maintenance.** Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed in Section 4 and in the sample contract. Maintenance specifications are in the sample contract.
24. **AWARD.** The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Bidders, by signing the bid form, certify that, to the best of bidder's knowledge the bidder will meet the requirements in 36 CFR 223.101, determination of purchaser responsibility, and, if awarded this contract, that bidder will complete the timber sale contract and any modifications thereof in accordance with its terms including requirements to purchase, cut, and remove included timber.

25. **DAMAGES.** This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter's date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.
26. **OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS.** Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration, OSHA Billings Area Office, 2900 4th Avenue North, Suite 303 Billings, MT 59101, (406) 247-7494.