TIMBER SALE PROSPECTUS

Sale Name :	Wolfy Salvage	**Type of Sale :**	Scaled
National Forest :	San Juan	**Ranger District :**	Pagosa
Bidding Method :	Sealed Bid	**Bid Guarantee :**	$1,300.00

Location of Bid Opening : GM-UNC-GUNN NF Supervisor's Office

Date : 09/09/2016 **Time :** 02:00 PM

1. INTRODUCTION. This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale Contract 2400-6 will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

2. BIDDING. This is a Sealed Bid sale. Bidders must submit sealed 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 in 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.

This is a small business set-aside sale. The Forest Service shall readvertise the sale without restriction on the size of bidders if no self-certifying, qualified small business concern makes a valid bid.

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 on the bid form 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. The 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.

3. LOCATION AND DESCRIPTION OF TIMBER. Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of subdivisions, location of cutting units, the acreage of sale area, and the cutting unit acreage.

THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE SALE AREA MAP OR SAMPLE CONTRACT.

The Wolfy Salvage Timber Sale is located in Mineral County in T37N, R1E, Sections 1 & 12 and T37N, R2E Sections 5, 6 & 7 NMPM, approximately 22 miles northeast of Pagosa Springs, CO and 22 miles southwest of South Fork, CO, just south of US Highway 160 along

Wolf Creek Road (NFSR 725).

4. TIMBER QUANTITIES AND RATES. The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. For these reasons, bidders are urged to examine the timber sale area and make their own estimates.

THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.

Estimated Quantities and Minimum Acceptable Rates per Unit of Measure

							Required Deposits	
Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Minimum Acceptable Bid Rates	Base Rates	Slash Disposal	Road Maintenance
Live and Dead Engelmann Spruce and Other	Sawtimber	CCF	3,535.00	N/A	$3.65	$1.00	$0.00	$0.00
	TOTAL	CCF	3,535.00				$0.00	$0.00

The minimum acceptable weighted average bid rate is $3.65 per CCF for the biddable species. It does not include any non-biddable, fixed rate species listed on the bid form in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." 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.

This rate has been established by appraisal, with a cost allowance for the roads specified by the contract, if any. Required deposits for slash disposal and road maintenance are in addition to the advertised rates for timber.

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of $11,899.00 is included in total timber value.

5. PERIOD OF CONTRACT. The normal operating season covers the period between 07/15 and 10/31. Contract termination date is 09/30/2019. Extensions of this contract may be granted only when the purchaser has met specified conditions.

If an appeal or lawsuit is filed challenging the decision to award this contract or upon determination by the Regional Forester that conditions existing on this timber sale are the same as, or nearly the same as, conditions existing on other timber sale(s) in appeal or litigation, Contracting Officer may delay award or reject all bids. If delay in award is for 30 days or more during Normal Operating Season after bid opening, Contracting Officer shall, upon award, adjust the contract term to include additional calendar days in one or more Normal Operating Seasons equal to the time award is delayed during Normal Operating Season.

The purchaser must submit a Plan of Operations to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to the Plan of Operations, the purchaser must submit an annual Operating Schedule before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual Operating Schedule does not require concurrence of the Forest Service.

6. 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 B(T)4.212 - 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 at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover 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.

By the midpoint between award date and the termination date, the purchaser shall have paid for, or in lieu thereof, deposited cash in the greater amount of: (1) 50 percent of the total estimated bid premium, or (2) 35 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next $100.

By the midpoint of the last normal operating season, or 12 months from the initial periodic payment, whichever date is first, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of 75 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next $100.

7. PERFORMANCE BOND. A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest $100 when the total bid value is $10,000 or less; and rounded up to the nearest $1,000 when the total bid value exceeds $10,000 or $2,000.00 whichever is greater. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 6 months past the contract termination date.

8. SPECIFIED ROADS. Not Applicable.

9. 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.

10. INAPPLICABLE STANDARD PROVISIONS. See sample contract.

11. SPECIAL PROVISIONS. See sample contract.

12. SET-ASIDE SALES. Preferential award of this sale to a self-certifying, qualified small business concern is authorized by section 15 of the Small Business Act of 1958. All bidders shall designate their small business status as specified on the bid form. The bidder, by signing the bid for advertised timber, certifies its small business status and agrees to the provisions of the sample contract including disposal and record keeping. In the absence of any bids from a self-certifying qualified small business concern, the sale will be readvertised without restriction on the size of bidders under 36 CFR 223.103.

The high bidder's size status is subject to verification by the Small Business Administration (SBA). A small business that does not qualify for the program must obtain a recertification of size from SBA before self-certifying again for small business set-aside sales.

The bidder, by signing the bid form, agrees not to sell more than 30 percent of the advertised sawtimber quantities included in this sale to firms not qualifying as small businesses under section 15 of the Small Business Act. Volume distribution requirements do not apply if the sale is readvertised under 36 CFR 223.103 and is awarded without restrictions to bidder size.

13. LOG EXPORT AND SUBSTITUTION RESTRICTIONS. The contract requires domestic processing of included timber except for species declared to be surplus, and prohibits the use of such included timber in substitution for unprocessed private timber exported. The bidder, by signing the bid for advertised timber, certifies compliance with the applicable prohibitions against export and substitution prescribed in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, et seq.) with each bid.

14. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW. If the total bid value plus required deposits for this contract exceeds $10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive

Order 11375 of October 13, 1967 and Executive Order No. 12086 of October 5, 1978.

15. 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.

16. FALSE STATEMENTS ACT. Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states "whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

17. 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.

18. SUSPENSION AND DEBARMENT CERTIFICATION. Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales. The bidder must designate its status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding. Also, as a timber sale purchaser enters into transactions with subcontractors, these subcontractors must certify their eligibility. The certification titled "Subcontractor Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion" must be provided to subcontractors, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these subcontractor certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for subcontractor transactions are provided as an addendum to the bid form.

19. 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 Region VIII, 1999 Broadway, Suite 1690, Denver, CO 80202-5716, 303-844-1600.

20. GENERAL. Corporations submitting an offer under this solicitation must include form AD-3030, Representations Regarding Felony Conviction and Tax Delinquent Status For Corporate Applicants. Copies of this form may be obtained from the Forest Service office shown on page 1 of this prospectus or electronically at:
http://www.ocio.usda.gov/policy-directives-records-forms/forms-management/approved-computer-generated-forms.

Wolfy Salvage Timber Sale
Prospectus Attachment

20. GENERAL.
See sample contract for details, the sample contract can be accessed at http://www.fs.usda.gov/goto/South_Zone_Timber_Sales or you may contact the District to obtain or view the contract.

Provision C2.3521 - "Designation by Species and Diameter" is included in this contract. See sample contract for details. All unmarked dead Engelmann spruce greater than 12 inches stump height (approximately 10" DBH) are designated for removal. No live trees other than incidental amounts necessary to facilitate sale operations shall be included in this contract. Cutting unit boundaries and other trees that shall be left uncut are marked with orange paint.

Provision C4.212 - "Temporary Reduction of Downpayment" is included in this contract. See sample contract for details.

Provision C5.12# - "Use of Roads by Purchaser" is included in this contract. See sample contract for details. Road use restrictions include: No snowplowing or road use after 11/30.

Provision C5.31# - "Road Maintenance Requirements" See the sample contract, Sale Area Map and Vicinity Map for specifications.

Provision C5.35# - "Closure of Temporary Roads" is included in this contract. See sample contract for more details. There are 2 temporary roads within this sale needed to access units 2 and 3. Following use of road the Purchaser shall: Outslope road and/or rip or scarify unvegetated road surface a minimum of 2 inches to a maximum of 8 inches, put in water bars, and pull slash onto roadbed. Construct earthen mounds of dirt (barriers) at entrance. Seed as specified in C6.601#.

Provision C6.312# - "Sale Operation Restrictions" is included in this contract. No sale operations after November 30th to facilitate winter recreation in the area.

Provision C6.310# - "Cutting Schedule" is included in this contract. Harvesting and mobilization within cut unit 1 cannot be started until after Forest Service installation of a temporary stream crossing and reconstruction of 725.A planned for 08/15/2017.

Provision C6.411# -"Felling and Bucking (Special Objectives)" is included in this contract. Trees shall be felled, as safety permits, to angle in the direction of skidding. To the extent practicable, all non-merchantable, bottom-portions of logs will be severed from merchantable pieces and left scattered within cut units prior to skidding to landings. See sample contract for details.

Provision C6.42# -"Skidding and Yarding (Special Objectives)" is included in this contract. See sample contract for details.

Provision C6.50#- "Streamside Management Zones" is included in this contract. Orange marked trees have been designated throughout the cut units to designate streamside management zones. Operation of wheeled or tracked equipment is not allowed within 25 feet of streamside management zones.

Provision C6.7# - "Slash Treatment" is included in this contract. Any logging slash at landings adjacent to system roads 6 inches or larger small end DOB shall be cut to a maximum length of 8 feet and decked by piling pieces parallel to each other to a maximum height of 5 feet (for eventual public fuelwood consumption). Logging slash at landings 6 inches or smaller small end DOB shall be scattered in cut unit areas adjacent to landings to a height of 2 feet or less.

Provision C6.825# - "Scaling as Presented (Sales by Load Count)" is included in this contract. See sample contract for details. The weight factor for this contract is 11.9 CCF/load, from Kurt Stagner, Regional Measurement Specialist.

Unless otherwise agreed to in writing, log trucks are restricted to a maximum gross vehicle weight of **85,000** pounds, as well as State limits for width and height.

Contract Species Information:

Species volume for this sale consists of 3535 CCF of Dead Engelmann Spruce Dead saw and house logs. Cruise volume was determined by gross scale minus 28% unseen internal defect. This sale is being sold at standard rates due to the advanced level of deterioration associated with the spruce beetle outbreak that occurred over 5 years ago and the wet climate of the sale area.

Bidders are advised that the sale area has a short operating season (7/15 to 10/31) that may be restricted due to wet conditions. Winter operations, including snowplowing, are not allowed due to restrictions associated with winter recreation use in the area.

"This sale contains salvage and deteriorating timber. This sale shall not be subject to the following provisions: *Damage by Catastrophe (B2.133), Liability for Loss* (B8.12), *Market-Related Contract Term Addition* (B8.212), or *Modification for Catastrophe* (8.32), due to changes in timber condition or losses in value caused by forest pests or foreseeable deterioration."

The Forest Service may take up to 90 days to award contract.

This is a salvage sale to harvest mostly dead and dying timber resulting from bark beetle infestation. Provision C8.212 - Market Related Contract Term Addition (MRCTA), is not included in this contract. Insect activity is prevalent in the sale area. Deterioration or loss of timber value following or as a result of insect infestation shall not be an unexpected event under provision B8.12 - Liability for Loss.

The purchaser must submit a plan of operations to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must

show how the purchaser plans to complete all requirements within in the contract by the termination date. In addition to the plan of operations, the purchaser must submit an annual operating plan before commencing operations. This plan will include the anticipated major activities and needs for harvest. This annual operating plan does not require concurrence of the Forest Service.

All new prospective bidders will need to register at www.sam.gov to be able to receive payments from the government's new financial system. All bidders who previously registered in the CCR database and were awarded a sale have been converted to the SAM database.

The Surety Bond Guarantee (SBG) Program regulations have been amended to allow SBA to guarantee bid and performance bonds for timber sale contracts. Under these contracts, the small business or principal pays the obligee an agreed amount to harvest the lumber or other forest products, such as biomass. A bond is often required to ensure compliance with contract terms and conditions that are associated with forest management, including the protection of natural resources, erosion control, and road maintenance. This change applies to contracts administered by the U.S. Forest Service and other public and private entities.

It is effective on March 25, 2011.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington DC 20250-9410 or call 202-720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

FAXED BIDS – The sealed bidding process is designed to protect the confidentiality of bids up to the time of the scheduled bid opening. The confidentiality of bids submitted by FAX cannot be maintained. Consequently, FAXed bids will not be accepted and if sent will be considered as NONRESPONSIVE. Bidders are advised to submit their bids in sealed envelopes in accordance with instructions provided in the solicitation.

The bidder must certify pursuant to the provisions of the following AD560 that they do not maintain segregated facilities and that their facilities are maintained in a manner such that segregation cannot result. Contractors are in turn required to receive such assurances from subcontractors.

CERTIFICATION OF NONSEGREGATED FACILITIES

(a) Segregated facilities, as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other

storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(b) By the submission of this offer, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity provision in the contract.
(c) The offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will -

(1) Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity provision:
(2) Retain the certifications in the files; and
(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity provision. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.