

TIMBER SALE PROSPECTUS

Sale Name :	Crystal Lake Salvage	Type of Sale :	Premeasured
National Forest :	Ottawa	Ranger District :	Watersmeet
Bidding Method :	Sealed Bid	Bid Guarantee :	\$4,200.00

Location of Bid Opening : IRON RIVER RANGER DISTRICT, 990 LALLEY ROAD, IRON RIVER, MI 49935

Date : 01/13/2009

Time : 01:00 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 2400-6T 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.

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 payment units, 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.

T44N R39W, Sections 33 and 34; approximately 8 miles south of Watersmeet in Gogebic County, MI.

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 Rates per Unit of Measure

Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Advertised Rates	Base Rates	Required Deposits	
							Slash Disposal	Road Maintenance
Red and White Pine	Sawtimber	CCF	39.00	12.8	\$47.18	\$27.46	\$0.00	\$0.00
Aspen	Pulpwood	CCF	198.00	9.1	\$24.35	\$13.17	\$0.00	\$0.00
Jack Pine	Pulpwood	CCF	1,324.00	9.9	\$24.45	\$15.62	\$0.00	\$0.00
Mixed Conifer	Pulpwood	CCF	60.00	6.4	\$10.12	\$5.76	\$0.00	\$0.00
Mixed Hardwood	Pulpwood	CCF	27.00	6.3	\$33.77	\$18.08	\$0.00	\$0.00
Pine	Pulpwood	CCF	24.00	7.2	\$40.20	\$23.83	\$0.00	\$0.00
Jack Pine	Non-Saw	CCF	393.00	9.9	\$1.12	\$1.07	\$0.00	\$0.00
TOTAL		CCF	2.065				\$0.00	\$0.00

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$26,174.00 is included in total timber value.

5. PERIOD OF CONTRACT. The normal operating season covers the period between 05/15 and 03/15. Contract termination date is 11/15/2009. 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.

6. PAYMENT. Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. Purchaser may 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 B(T)(P)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 and 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 stumpage value representing 25 percent of the total bid value of the sale is shown to have been cut, removed, and paid for on the statement of account.

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. In no case will the performance bond be less than \$5,000.00. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 1 year 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. FINANCIAL ASSISTANCE. Not Applicable.

13. SET-ASIDE SALES. Not Applicable.

14. LOG EXPORT AND SUBSTITUTION RESTRICTIONS. Not Applicable.

15. 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.

16. 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.

17. 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."

18. 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.

19. 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.

20. 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, 801 S Waverly RD, STE 306 LANSING, MI 48917, 517-377-1892.

21. GENERAL.

CUTTING DESIGNATION.

Cut Tree Marking. In addition to DxSPP trees described below, all trees within Payment Units 3, 4, and 6 identified as Cut Tree Marked (CTM) on the Sale Area Map, are designated for cutting when marked as follows:

GREEN paint in Payment Units 3 and 4

YELLOW (there may also be YELLOW & BLUE on the same tree) paint in Payment Unit 6 (Road ROW unit).

Trees marked in YELLOW paint at eye level and at the stump, and trees marked in YELLOW & BLUE paint at eye level and at the stump WITHIN and BETWEEN all Payment Units within the Sale Area are included volume in Payment Unit 6.

Unless otherwise indicated, CTM trees are painted above (on two sides of the tree) and below stump height (on one side of the tree). If there are multiple stems from a single stump, there will be a stump mark corresponding to each tree marked above stump height. Individual trees shall be cut so as to leave paint visible on stump.

In addition; all LIVE AND DEAD jack pine and all LIVE aspen in Payment Units 1-5 which meet minimum diameter specifications in AT2 of the Sample Contract, are designated for cutting. These payment units are identified by DxSPP on the Sale Area Map. Additional trees to be cut in Payment Units 3 and 4 are marked with GREEN paint at eye level and at the stump.

Trees that are undesignated at time of contract award may be added to Included Timber when designated, by Seller, in the manner described above. Volume determination and payment of appropriate charges is required PRIOR to the cutting or felling of additional trees.

PAYMENT UNIT BOUNDARY TREES. Exterior boundaries are marked with 3 ORANGE paint slashes above stump height; interior boundaries are marked with 2 ORANGE paint slashes above stump height on each side of the boundary. Boundary trees are also marked below stump height. Paint marks face to the INSIDE of the Payment Unit. **BOUNDARY TREES ARE NOT TO BE CUT (CT2.3).**

DAMAGES. Prospective purchasers are cautioned that cutting or otherwise damaging any timber, tree, or other forest products, is PROHIBITED (36 CFR). This regulation also applies to the cutting, chipping, or chopping of trees to determine tree suitability for specialty products, and merchantability, within the Sale Area.

TEMPORARY ROADS. The location and clearing widths of all temporary roads and skid trails will be agreed to before construction is started. This also includes the use of EXISTING temporary roads. After a temporary road has served the Purchaser's purpose, the road

will be closed by the purchaser or as otherwise directed by the Forest Service. Eight temporary roads with a total of 0.6 miles and an appraised value of \$3,744.00 have been planned to access PUs 1-4. These roads are shown on a Work Map that will be given to the Purchaser. A culvert is to be installed on UNC 4 and 5 and a berm constructed on UNC 3. Allowances have also been made for rehabilitating temporary spurs and for constructing a high speed skid trail for access to PU 5.

Temporary roads will be effectively blocked to normal vehicular traffic as follows:

Unc 1: Install berm on the south end of FR 5010-A1.

Unc 2: From County Road 210, obliterate 200 feet of existing road by flattening/remove profile and shape to landscape. Beyond this 200 feet, slash-in the next 592 feet, as directed by the Forest Service.

Unc 3: Berm road at County Road 212.

Unc 4: From County Road 212, obliterate 200 feet of temp road by flattening/remove profile and shape to landscape. Remove culvert and reshape ditchline. Culvert remains the property of the Forest Service (and appraisal deduction was made for the value of the culvert).

Unc 5: From County Road 212, obliterate 200 feet of temp road by flattening/remove profile and shape to landscape. Beyond this 200 feet, slash-in the next 275 feet as directed by the Forest Service. Remove culvert and reshape ditchline. Culvert remains the property of the Forest Service (an appraisal allowance was made for the value of the culvert).

Unc 6: From FR 5030, flatten to landscape and cover temp road with logging slash as directed by the Forest Service.

Unc 7: From FR 5030, flatten to landscape and cover temp road with logging slash as directed by the Forest Service.

Unc 8: From FR 5030, rehab as existing road; do not berm/slash.

As shown in the typical drawing, the berm/water bar should be placed at an angle of 30 to 45 degrees relative to the road, to allow for runoff to drain from the inlet, through the trench, and into the adjacent forest floor or vegetation.

Dig a trench 12 to 18 inches below the surface of the road or trail, and extend it beyond both sides of the road or trail to prevent runoff from bypassing the water bar. The uphill end of the water bar should extend beyond the side ditch of the road and into an earth-berm to fully intercept any ditch flows. The outflow end of the water bar is to be fully open and extended far enough beyond the edge of the road or trail to safely disperse runoff water onto the undisturbed forest floor. When placement of the closure device does not require the berm to also function as a water bar for drainage, the trench will not be required.

Height of the berm will be approximately 4 feet. Rocks/boulders, logging slash, cull logs, and stumps may be incorporated into the ridge of earth during construction of the berm as long as proper drainage will be maintained and the road is completely blocked unless otherwise agreed in writing.

ROADS. All roads necessary to log this area will be approved by the Forest Service prior to maintenance/re-construction/construction. Prospective purchasers should determine, before bidding, whether existing roads they plan to use are available for log hauling. **THE SAMPLE TIMBER SALE CONTRACT (CT5.12#) AND THE SALE AREA MAP LIST/SHOW ROADS AVAILABLE FOR USE (i.e., Hauling Prohibited, Use Prohibited, and/or Use Restricted).**

Appraisal allowances were made for Pre-haul maintenance requirements (CT5.31# - Road Maintenance Requirements lists miles of road for each road). Purchaser shall perform pre-haul maintenance on an estimated 0.27 miles of roads at an estimated cost of \$487.00. Appraisal allowances were also made for Purchaser required re-current and post haul maintenance; and, for deposits Purchaser is required to pay for roads the Forest Service will maintain. **QUANTITIES OF WORK AND COST ESTIMATES ARE AVAILABLE UPON REQUEST.**

Normal Season of Use. Cost allowances and maintenance requirements are based on the normal season of use and the standard of the specific road.

Material Sources (pit run gravel and/or crushed gravel sources) are listed on the Sale Area Map and on Plans. For this timber sale, the Pit Source is the "38 Pit," located at T44N, R38W, Section 32.

Snowplowing. Snowplowing of system and temporary roads is appraised under contractual costs. In addition, Purchaser should factor in cost to snowplow roads under jurisdiction of other government entities that have posted they do not snowplow roads. This cost is included in the appraisal allowances.

Haul Route. The appraised haul route for this sale is County Road 210, west to US 45 (PUs 1 and 5), FR 5030 to County Road 212 to US 45 (PU2), and County Road 212 west to US 45 (PUs 3 and 4).

OPERATING REQUIREMENTS. Within Sale Area, unless changed by written agreement, the following operating requirements apply:

Restricted operations/activities:

Within Payment Units 1-5, operations are not permitted during the period of 3/16 to 5/14 (due to soils).

Within the Sale Area, decked pine and other conifer material must be removed from the Sale Area within 30 days of cutting to minimize the potential breeding areas for pine beetles during the period of May 1 to September 30.

Pit restoration (per specifications) in the 38 Pit will be accomplished no later than the end of each operating season.

New temporary road entrances in Payment Unit 3 must be completed by June 15, 2009 when the Gogebic County Road Permits #07-ROW-05 and #07-ROW-06 expire.

Prohibited operations/activities:

N/A

SAFETY. Unless otherwise agreed in writing, when Purchaser's Operations are in progress adjacent to or on Forest Service controlled roads and trails open to public travel, Purchaser shall furnish, install, and maintain all temporary traffic controls that provide the user [of the road] with adequate warning of hazardous or potentially hazardous conditions associated with the Purchaser's Operations. Purchaser and Forest Service shall agree to a specific Traffic Control Plan for each individual project prior to commencing operations. Except as otherwise agreed, flagmen and devices shall be as specified in the "Manual on Uniform Traffic Control Devices for Streets and Highways" and as shown on Plans, Sale Area Map, Traffic Control Plan, or in specifications included in the Sample Timber Sale Contract.

The Sale Area Map indicates the approximate location of required temporary traffic control signs for this timber sale. An appraisal allowance was made for the installation and maintenance of these signs.

SKIDDING AND YARDING REQUIREMENTS. Within Payment Units 1-5, skidding of products longer than 16 feet will not be permitted unless otherwise agreed in writing.

Within Payment Unit 5, harvested products must be forwarded out of the Payment Unit to a location designated by the Forest Service. Products may be trucked from these locations. An appraisal adjustment was made to allow for construction of a high speed skid trail to FR 5010A.

SLASH DISPOSAL. In addition to standard contractual requirements in the Sample Timber Sale Contract, the following requirements are specific to this contract.

SDZ - Slash resulting from construction clearing (such as from landings, temporary roads, right-of-way clearing associated with pre-haul maintenance requirements listed in Special Provision CT5.31#) other than Specified Road construction, shall be lopped and scattered to lie within 3 feet of the ground. All root wads will be severed from the stem and righted on the ground, or otherwise disposed of as directed by the Forest Service concurrent with the operation.

SDZ(1) - Within a strip 50 feet in width, measured from the forested edge along County Road 212 (in PU 1) as shown on the Sale Area Map, all slash resulting from Purchaser's operations shall be chipped, removed, or otherwise disposed of, and within an adjacent strip 25 feet in width, all slash shall be lopped and scattered to lie within 3 feet of the ground concurrent with operations.

SDZ(2) - Within a strip 25 feet in width measured from the forested edge along County Road 210 (in PUs 3 and 4) as shown on the Sale Area Map, all slash resulting from Purchaser's operations shall be chipped, removed, or otherwise disposed of, and within an adjacent strip 25 feet in width, all slash shall be lopped and scattered to lie within 3 feet of the ground concurrent with operations.

SDZ(3) - Within the Sale Area, except as specified elsewhere in the contract, all debris/slash resulting from the use of slashers/processors or other similar equipment shall be removed from landings and roadsides and scattered to lie within 3 feet of the ground concurrent with operations.

SDZ(4) - Within All Payment Units, slash resulting from Purchaser's operations shall either be left at the stump or redistributed within the cutting unit, except in SDZ(1) and SDZ(2), concurrent with operations.

SALE IN URGENT NEED OF HARVESTING. This sale is in urgent need of harvesting - a contract term adjustment may be granted on other Forest Service GREEN timber sale(s) to the purchaser of this sale in order to complete this salvage sale by the contract termination date.

- a. The specific geographic tributary area that would apply for the granting of adjustments on existing sales is the Ottawa National Forest and the Chequamenon-Nicolet National Forest.
- b. Purchaser must show how logging this sale will impact operations on existing sales.
- c. Specific classes of sales that would not receive consideration for extension or adjustment are salvage or insect damage sales.
- d. The calculation of the number of days of contract term adjustment a purchaser would receive would depend upon a case-by-case review and reflect the time lost by logging this salvage sale and shall be requested at the end of each Normal Operating Season by the purchaser.

The Market Related Contract Term Addition Producer Price Index (AT17 of the SAMPLE CONTRACT) for this salvage sale is not applicable. There will be no market-related contract term addition for this sale.

Standard Provision BT 6.81, Product Identification, is not applicable to this contract and will be waived by the Contracting Officer.

NORMAN E. NASS
DISTRICT RANGER

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