TIMBER SALE PROSPECTUS

Sale Name :	Ollie 540	**Type of Sale :**	Premeasured
National Forest :	Ottawa	**Ranger District :**	Iron River
Bidding Method :	Sealed Bid	**Bid Guarantee :**	$11,000.00

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

Date : 09/11/2009 **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 R37W Sections 15, 16, 17 Iron County Michigan

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.

Road Construction Costs. The advertised rate does not include the estimated cost of specified road construction. The estimated road construction cost has been included in the appraisal as a cost that the purchaser will incur. The purchaser will be responsible for the road construction cost and WILL NOT receive credit towards stumpage costs for this expense, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT and bidders should consider the cost of road construction when developing their bids.

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	Required Deposits: Road Maintenance
Mixed Hardwood	Sawtimber	CCF	219.00	14.4	$68.02	$6.90	$0.00	$1.32
Sugar Maple	Sawtimber	CCF	133.00	15	$178.16	$18.06	$0.00	$1.32
Aspen	Pulpwood	CCF	23.00	12.4	$24.63	$2.50	$0.00	$1.32
Mixed Conifer	Pulpwood	CCF	4.00	7.3	$12.61	$1.28	$0.00	$1.32
Mixed Hardwood	Pulpwood	CCF	2,900.00	7.9	$24.35	$2.47	$0.00	$1.32
	TOTAL	CCF	3,279.00				$0.00	$4,328.28

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of $10,313.00 is included in total timber value.

5. PERIOD OF CONTRACT. The normal operating season covers the period between 12/15 and 03/15. Contract termination date is 09/15/2013. 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. 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.

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. In no case will the performance bond be less than $11,000.00. 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. The Forest Service has determined that the following National Forest System roads shall be constructed or paid for, in whole or in part, by the timber sale purchaser. Sufficient information to permit a prospective bidder to calculate the likely cost to be incurred for road construction is available at the Forest Supervisor's Office. See the sample contract for verification of specific details and information concerning construction specifications. CONSTRUCTION ESTIMATES AND INFORMATION CONTAINED HEREIN, TOGETHER WITH RELATED SPECIFICATIONS, ARE NOT GUARANTEED. The following roads are those that Forest Service considers necessary to remove the timber from this sale.

Specified Roads

Road Number	Road Name	Termini		Traffic Service Level	Approximate Kilometers	Approximate Miles	Estimated Cost	Type of Work *
		From	To					
FR3923E	FR3923E	1.03	1.06	D	0.03	0.02	$624.00	R
FR3923E1	FR3923E1	0	.06	D	0.06	0.04	$824.00	R

* C = Construction
R = Reconstruction

Total estimated construction cost allowed in appraisal is $1,448.00

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. The Small Business Administration (SBA) may be able to assist small business concerns in financing construction of specified roads listed in the sample timber sale contract. Such SBA assistance, if available, may be in the form of guaranteed bank loans or direct participation SBA loans. Applicants must meet SBA size and eligibility requirements. APPLICANTS ALSO MUST MEET CREDIT REQUIREMENTS OF SBA AND/OR A LOCAL BANK. APPROVAL OF LOAN ASSISTANCE RESTS WITH SBA AND IS CONTINGENT ON AVAILABILITY OF LOCAL FUNDS OR SBA FUNDS. FAILURE TO BE ELIGIBLE OR TO OBTAIN A LOAN IN NO WAY AFFECTS REQUIREMENTS OF BID FOR ADVERTISED TIMBER SALE OR THE TIMBER SALE CONTRACT. If requested by the purchaser, the timber sale contract can provide repayment of direct SBA loans through the Forest Service as the timber is cut.

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. All trees within Payment Unit(s) 8-12, 17, 17, 18 identified as Cut Tree Marked (CTM) on the Sale Area Map, are designated for cutting when marked with blue or yellow paint, as follows:

Payment Units 8-12, 15, 17 - Blue
Payment Unit 18 (ROW) - Yellow

Sawtimber Trees are marked with one slash of paint at eye level or higher on 2 opposite sides of the tree, with 2 stump marks.

Pulpwood Trees are marked with one paint slash at eye level or higher on 2 opposite sides of the tree, with 1 stump mark.

If there are multiple stems originating from a single stump (or where 2 trees have grown together) with each stem qualifying as an individual tree, there will be a corresponding stump mark for each tree in the clump.

Non-merchantable or sub-standard trees marked in drop-zones, or present a felling hazard for marked trees, or trees in ROW clearings >=3" DBH are marked with an "X" at eye level with a stump mark. THESE trees may be cut, but not removed, during operations.

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.

IDENTIFICATION OF SAMPLE TREES HAS CHANGED. Measurements are no longer painted on the bole of the tree. A unique number that matches the tree number on the Payment Unit tally card (or Portable Data Recorder data file printout) will be painted on the Sample (Tally) Tree, in addition to the assigned Cruiser identification letter. The following information may be written on a flagging ribbon with permanent marker, with the ribbon turned with the information facing to the inside against the bole of the tree (to protect the information). Ribbons may not be in place due to weather, animals, or someone removing the ribbon.

Prospective Bidders may request the cruise information from the Iron River Ranger District Office. YOUR REQUEST FOR INFORMATION WILL REMAIN CONFIDENTIAL.

For SAWTIMBER trees: 1) Unique tree number assigned to that Sample Tree 2) Sample Group # in the Cruise Design 3) Species Code 4) DBH (to nearest tenth of inch) 5) Sawlog height in feet 6) % of saw defect (rounded to nearest 10%), % of Recoverable volume (rounded to nearest 10%) 7) Non-Sawlog height in feet (to a 4 inch dib for hardwood species and total height for conifer species 8) % of non-saw defect 9) Tree Grade for Sugar Maple or Yellow Birch sawtimber trees 10) Cruiser's identification letter.

For PULPWOOD trees: 1) Unique tree number assigned to that Sample Tree 2) Sample Group # in the Cruise Design 3) Species Code 4) DBH (to nearest tenth of inch) 5) Pulpwood (non-saw) height in feet (4 inch top dib for hardwood species and total height for conifer species 6) % of defect (rounded to nearest 10%) 7) Cruiser's identification letter.

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).

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 3.4 miles of roads at an estimated cost of $9436.00. 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.

Specified Roads. Two 15" x 24' HDPE Culverts are required on this sale.

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 planned haul route for this sale is North on FR 3920 to Forest Hwy 16.

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

Restricted operations/activities:

Payment Units 8, 9, 10, 11, 12, 15 & 17: Harvest operations are restricted during the period of March 16 through July 31 (due to soils and protection of residual stems) and October 1 through December 14 (due to soils).

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, ROW clearing associated with pre-haul road maintenance requirements listed in 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 wih operations.

SDZ(1) - Within a strip 25 feet in width, measured from the forested edge road along FR 3920 as shown on the Sale Area Map, all slash resulting from Purchaser's operations shall be removed concurrent with operations.

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.

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.

Standard Provision BT6.81 Product Identification (in the Sample Contract) will be waived by the Contracting Officer upon Contract Award. This provision is applicable west of the 100th Meridian.

The Market Related Contract Term Addition Producer Price Index (AT17 of the SAMPLE CONTRACT) is the Wood Chips Index #3211135. The successful bidder may requets a change in Index, with WRITTEN JUSTIFICATION, prior to final execution of the Timber Sale Contract. This request is subject to approval.

/s/ Norman E. Nass
NORMAN E. NASS
DISTRICT RANGER

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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.