

**TIMBER SALE PROSPECTUS**

<b>Sale Name :</b>	Grouser	<b>Type of Sale :</b>	Premeasured
<b>National Forest :</b>	Modoc	<b>Ranger District :</b>	Devils Garden
<b>Bidding Method :</b>	Sealed Bid	<b>Bid Guarantee :</b>	\$1,600.00

**Location of Bid Opening :** Alturas, CA

**Date :** 08/16/2012**Time :** 10:00 AM

**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.

**Total Sale Value Bidding:**

Prospective purchasers must submit bids in terms of the minimum acceptable total sale value. The bid form states minimum acceptable bid rates and estimated quantities of timber, together with the minimum acceptable total sale value. The advertised minimum acceptable total sale value 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 the total sale value. 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 total sale value bid rate divided by the minimum acceptable total sale value. 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 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.

The Grouser Timber Sale is located on the Devil's Garden Ranger District approximately 7 air miles northwest of Canby, California. Access to the sale area from Canby is via highway 139 north approximately 7.4 miles to 46N10 and 42N60 roads into the sale area. The sawtimber is designated either as cut tree or leave tree. Leave trees are designated in orange paint at DBH with stump mark. Cut trees are designated in green paint at DBH with stump mark. Biomass is designated by description. Estimated harvest acres is 3462. Estimated volume is 10,080 CCF ponderosa pine, 9 CCF Incense Cedar and 22,617 CCF biomass. Unit boundaries are designated either with 3

orange or 3 white vertical lines at DBH and stump mark. The designated water source is Lime Pit in T42N, R9E, NE1/4 section 6. Purchaser is required to contact Jake Derner, Tuscarora Pipeline, at 640-2969 prior to performing any operations that affect the Tuscarora Pipeline. Purchaser is required to pad approximately five crossings of the Tuscarora Pipeline to a minimum depth of 1/2 foot compacted fill on a portion of the 43N77 road to a 1 foot minimum compacted fill at all other existing road crossings used in the pipeline corridor prior to moving equipment or hauling. Any other passage over the pipeline will need to be checked by pipeline personnel. An acceptable source of fill material is located in T42N, R9E, NW 1/4 section 22 off the 42N06 road at the Duncan Pit. Use the pit run initially.

**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**

Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Minimum Acceptable Bid Rates	Base Rates	Required Deposits	
							Slash Disposal	Road Maintenance
Ponderosa Pine and White Fir	Sawtimber	CCF	10,080.00	13.2	\$1.00	\$1.00	\$0.34	\$0.00
<b>Required Removal at Fixed Rates</b>								
Incense Cedar	Sawtimber	CCF	9.00	13.3	\$1.00	\$1.00	\$0.34	\$0.00
Combined Softwood	Grn Bio Cv	CCF	22,617.00	N/A	\$0.25	\$.25	\$0.34	\$0.00
	<b>TOTAL</b>	CCF	32,706.00				\$11,120.04	\$0.00

The minimum acceptable total sale value bid for advertised timber is \$10,080.00. 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.

The bid rate for species and unit of measure are assigned under procedures for average bid premium bidding, as noted in this prospectus. 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.

This sale contains contract provisions for stumpage rate escalation. Tentative bid rates for timber, except Incense Cedar Sawtimber and Combined Softwood Grn Bio Cv apply, subject to quarterly adjustment during the contract period.

**This is a deficit sale.** The appraised stumpage rates have been increased by \$266,199.75 to reach base rates.

**5. PERIOD OF CONTRACT.** The normal operating season covers the period between 05/15 and 10/15. Contract termination date is 03/31/2018. 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.** Not Applicable.

**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, California Department of Industrial Relations, 1515 Clay Street, Suite 1901, Oakland, California 94612.

## **20. GENERAL.**

CT2.35# - Designation of Timber. Leave trees are designated with a horizontal band of orange paint at DBH and stump mark. Leave trees greater than 21.0" DBH are designated with one dot of orange paint at DBH per face of tree and stump mark. Cut trees are designated with a horizontal band of green paint at DBH and stump mark. Biomass within the streamside management zone is not included timber. Trees greater than 10" DBH but less than 21.0" not meeting sawlog specifications are designated for biomass on ITM units with green X's and stump mark.

CT2.351# - Designation by Spacing. (4/2004) Provision applies to pine, fir and cedar biomass trees between 3.0" - 9.9" DBH.

CT5.352# - Designation by Species and Diameter. (4/2004) Provision applies to Juniper trees between 3.0" - 23.9" DBH.

CT5.12# - Use of Roads. (6/1999) The portion of road 43N79 between unit 37 and unit 56 is prohibited for hauling. Transporting equipment is permitted as is use of pick up trucks between units 37 and 56. The railroad right of way road alongside the tracks is prohibited to all use.

CT5.35# - Road and Water Supply Use. (5/2008) Purchaser shall make deposits of \$0.47/CCF for deferred surface replacement. The water source is located at Lime Pit, T42N; R9E; NW 1/4 section 6

CT6.224 - Fence Gate. (9/2006) Purchaser is required to close gates, as shown on Sale Area Map during operations where cattle is located, either providing a gate attendant or closing the gate immediately after each passage. If any closed gates are encountered outside of Sale Area Map then treat them in the same manner.

CT6.24# - Site Specific Protection Measures. (4/2004) Purchaser's operations are prohibited from entering, at any time, the boundary of the controlled areas identified on the Sale Area Map or on the ground with the specified flagging described in CT6.24#. Blading or other improvements to the road surface is prohibited on travel routes that pass through controlled areas designated with black and red stripped flagging.

CT6.315# - Sale Operations Schedule. (8/2006) Contact Jake Derner, 640-2969, prior to purchaser's operations along the Tuscarora Pipeline where moving equipment or hauling over the pipeline will occur. Approximately five crossing locations over the Tuscarora Pipeline will require a minimum of 1/2 foot compact fill on a portion of the 43N77 road to a minimum of 1 foot compacted fill where existing travel routes cross the pipeline. Any other passages over the pipeline will need to be checked for depth by pipeline personnel. Duncan Pit, T42N; R9E; NW 1/4 section 22 is an acceptable source for fill material. Use the pit run initially. Limiting operating periods for Goshawk and Osprey.

CT6.41# - Felling, Bucking and Limbing. (8/2007) Contract requires whole tree yarding trees less than 22.0" DBH. Contract requires directional felling away from the Tuscarora Pipeline corridor, railroad corridor, powerlines, fences, control areas, streamside management zones, and travel routes. Contract requires treatment of stumps on all pine, incense cedar and juniper trees with a stump diameter inside bark greater than or equal to 14.0".

CT6.5 - Stream Course Protection. (8/2006) Equipment is prohibited from entering the inner half, 25 feet, of the streamside management zone. The streamside management zone is identified on the Sale Area Map or on the ground with orange 'Streamside Management Zone' flagging. Equipment is permitted in the outer half, 25 feet, but restricted to skid trails or moving perpendicular to the boundary of the streamside management zone. Biomass is not included timber in the streamside management zone.

CT7.2# - Specified Fire Precautions. (10/2010) Project Activity Level (PAL) has replaced the Sale Activity Level System.

CT7.22# - Emergency Precautions. (10/2010) The Project Activity Level (PAL), an industrial operation fire precaution system, will be used for this sale. The six-level PAL system will replace the five-level Sale Activity Level (SAL) system that has been used in existing

R5 timber sale contracts. The Forest Average Remote Area Weather Stations will be used to calculate PAL. The normal operating season is May 15 to October 15. Approximate total project activity level days by category is A = 20 days, B = 15 days, C = 46 days, D = 31 days, Ev = 36 days and E = 6 days based on collected data between 2007 - 2011.