



**DEPARTMENT OF NATURAL RESOURCES
STATE OF MICHIGAN**

TIMBER SALE PROSPECTUS #4560

SCHEDULED SALE DATE AND TIME: 11:00 a.m. (local time) on March 7, 2012.

LOCATION: GLADWIN MGMT UNIT, 801 N SILVERLEAF, GLADWIN, MI 48624.

PROSPECTUS NOTE: Note that BAKER RD TEST (73-017-11-01) sale has special requirements related to Payment Units (PUs) 1 and 2. An on-site meeting can be arranged to discuss these requirements. The DNR is conducting a test comparing different methods of measuring trees and determining tree volume. PUs 1 and 2 contain test areas. Both test areas have 20 test plots, i.e. there is roughly one test plot per acre. "Cut" and "Leave" trees have been numbered at each plot. Certain "Cut" trees on each test plot must be felled and cut into product lengths when DNR staff is present. Additional cuts above the last pulp stick may also be required. DNR staff will then make detailed measurements of each tree. There are 37 measurement trees in PU 1 and 49 measurement trees in PU 2.

The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs and contract terms of proposed sales. Please be aware that some landowners may request 60 days or more notice for access across their land.

Notice is hereby given that bids will be received by the Unit Manager, GLADWIN MANAGEMENT UNIT, for certain timber on the following described lands:

BAKER RD TEST (73-017-11-01) / T16N, R01W, SEC. 20, NE1/4; SENW; W1/2SW; SE1/4.

Midland County, Advertised Price \$55,343.60, 175.0 Acres

SALE NOTE: The test trees must be cut within 90 days of contract execution or as soon after July 15th, 2012 as is practical. The cutting of the test trees must occur in one period of time, for example over one or two weeks. A roundwood operation is required for the harvesting of the test trees. The cutting of these trees could be done independently of your normal harvest activities. In other words, a faller could work with the DNR staff falling and bucking trees independently of the purchaser's normal harvest plan. If the wood from the test trees is not removed from the site, then advanced payment is not required. If the test trees are removed from the site, then PUs 1 and/or 2 must be paid in full or payment for the removed trees will be required within 30 days of scaling/billing. Plot locations and the list of measurement trees is available and will be provided at the pre-work meeting. The DNR will work cooperatively to make this an efficient process with minimum impact to either party.

No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

BID INSTRUCTIONS (VER. 10/20/2011):

1. Scheduled Bid Location, Date, and Time (2/11)

Bids must be received by the Unit Manager, GLADWIN OFFICE, 801 N SILVERLEAF, GLADWIN, MI 48624, no later than 11:00 a.m. (local time) on March 7, 2012. For further information concerning this sale, contact Jason Hartman at 989-426-9205 extension 7640.

2. Bidder's Qualifications (6/11)

Purchaser shall obtain workers compensation insurance to cover claims under Michigan's Worker's Disability Compensation Act of 1969 or similar employee benefit act of any other state applicable to an employee. If all or part of a timber sale was prepared by a private contractor, that contractor and that contractor's company are not permitted to bid on the timber sale contract. Bids will not be accepted from individuals or companies appearing on the DNR/FMD No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.

3. Preparation of Sealed Bids (1/11)

Bids shall be manually signed in ink; bid prices must be entered for each species and product in the Bid Price column for all material subject to bidding; and all fill-in blanks must be completed. If erasures or other changes appear on the forms, each erasure or change must be initialed by the person signing the bid.

4. Submission of Sealed Bids (6/11)

Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) the sale name or number and (b) the date and time of bid opening as shown in the prospectus. Bids received after the time specified in the sale prospectus are late bids and will be rejected.

5. Public Opening of Sealed Bids (1/11)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

6. Award of Contract (1/11)

Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.

7. Down Payment (1/11)

The Bidder to whom award is made must make a down payment within 21 days of the sale award. The amount of the down payment will be calculated as shown in the Bond and Payment Schedule of this prospectus. Only cash may be used to meet this requirement.

8. Performance Security (1/11)

As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.

9. Timber Sale Contract (1/11)

Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/dnr. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 1 year. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove

the included timber by the termination date.

10. Disclaimer of Estimates and Bidder's Warranty of Inspection (1/11)

Before submitting this bid, the Bidder is advised and cautioned to inspect the sale area, review the requirements of the sale contract, and take other steps as may be reasonably necessary to ascertain the location, estimated volumes, construction estimates, and operating costs of the proposed sale. Failure to do so will not relieve the Bidder from responsibility for completing the contract.

The Bidder warrants that this bid is submitted solely on the basis of the Bidder's examination and inspection of the quality and quantity of the timber offered for sale and the Bidder's opinion of the value thereof and the costs of recovery. No reliance should be placed on the State of Michigan's estimates of timber quality, quantity or costs of recovery. Bidder further acknowledges that the State of Michigan: (i) expressly disclaims any warranty of fitness of timber for any purpose; (ii) offers this timber as is without any warranty of quality (merchantability) or quantity and (iii) expressly disclaims any warranty as to the quantity or quality of timber sold.

11. Certification and Chain-of-Custody (10/11)

Unless otherwise indicated in the contract under section 7 – Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-00090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC Pure and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

RODNEY STOKES
Director

TIMBER SALE INFORMATION

BAKER RD TEST (73-017-11-01)

T16N, R01W, SEC. 20.

Midland County (Advertised Price \$55,343.60)

SALE NOTE: The test trees must be cut within 90 days of contract execution or as soon after July 15th, 2012 as is practical. The cutting of the test trees must occur in one period of time, for example over one or two weeks. A roundwood operation is required for the harvesting of the test trees. The cutting of these trees could be done independently of your normal harvest activities. In other words, a faller could work with the DNR staff falling and bucking trees independently of the purchaser's normal harvest plan. If the wood from the test trees is not removed from the site, then advanced payment is not required. If the test trees are removed from the site, then PUs 1 and/or 2 must be paid in full or payment for the removed trees will be required within 30 days of scaling/billing. Plot locations and the list of measurement trees is available and will be provided at the pre-work meeting. The DNR will work cooperatively to make this an efficient process with minimum impact to either party.

No designated recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Access may be through state forest land.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. Bids must be at or above the following advertised price for each species:

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
Mixed Aspen	56.30 MBF	\$ 83.00 / MBF
Mixed Hardwood	19.10 MBF	\$ 142.00 / MBF
Red Maple	182.20 MBF	\$ 142.00 / MBF
Pulpwood		
Mixed Aspen	266.00 Cords	\$ 18.30 / Cord
Mixed Hardwood	212.00 Cords	\$ 12.80 / Cord
Red Maple	680.00 Cords	\$ 13.25 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$5,494.70:

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
White Oak	31.90 MBF	\$ 70.00 / MBF
Pulpwood		
Mixed Oak	122.00 Cords	\$ 20.00 / Cord
White Oak	83.00 Cords	\$ 9.90 / Cord

* The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

1. A bond in the amount of **\$3,000.00** to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
3. Total payment must be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

<u>PAYMENT UNIT NUMBER</u>	<u>PERCENT OF TOTAL SALE VALUE</u>
01	5%
02	10%
03	9%
04	35%
05	5%
06	22%
07	14%

4. If no cutting takes place, the 10% down payment will not be refunded.
5. Operations on the contract issued will terminate on 03/31/2015.

Sale Specific Conditions & Requirements

Sale Name: Baker Rd Test Sale Number: 73-017-11-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary and Payment Unit boundaries are marked and identified by red and yellow paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Do not cut painted boundary line trees unless also marked with orange paint.

2 - Timber Specifications

2.1 - Included Timber

2.1.2 - Clearcut unit(s) w/o unmerchantable trees (12/08)

Within Payment Unit(s) 4 and 6, cut all trees which meet minimum piece specifications in 2.2 Utilization/Reserve areas identified in accordance with 2.4.3 - Reserve areas, within clearcutting unit boundaries, are not Included Timber and are to be protected.

2.1.3 - Cut tree marked unit(s) (12/08)

Within Payment Unit(s) 1, 2, 3, 5, and 7, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In the units skid trail locations are marked with an orange asterisk on trees.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall be cut as low to the ground as possible. Unless approved by the Unit Manager or his/her representative stump heights shall not exceed 12 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/05)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. In addition, extreme care should be taken to avoid damage to tree seedlings and saplings.

Damage to residual trees (defined as breaking of the cambium layer, broken tops or bending of trees from their natural position) is not acceptable.

Within the sale area, if more than 25% of the tree seedlings or saplings (1/4" to 4.5" DBH) within a specified portion of the sale area are damaged, liquidated damages will be assessed at \$300 per acre for all acreage within that specified portion of the sale area that was damaged.

No damage is acceptable to merchantable trees. Within Units 1, 2, 3, 5, and 7, if more than 10% of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

4 - Transportation

4.1 - Construction

4.1.5 - Culverts (3/11)

Roads may require the installation of culverts at cross drainages on wet soils, or across natural drainage-ways. Culverts shall be placed in locations specified by the sale administrator and shall be new, corrugated metal or plastic gauge. Culverts will be a minimum of 12 inches in diameter and 24 feet in length. Culverts shall be installed prior to use of the road. If culverts are

removed, fill shall be removed from wetland soils as specified. Soils shall be maintained and left in a non-erodible condition, with water bars, seed, fertilizer, mulch, and slash installed as directed by the sale administrator and as specified in the BMP manual. Stream crossing permits, if needed, will be obtained by the DNR.

4.1.7 - Road closure (4/07)

All new roads built into the sale must be blocked to vehicle traffic within 30 days of completion of hauling. Overgrown roads that are reopened shall be considered new roads. In general, this will require constructing double earthen berms at strategic locations. In general, this will require constructing a four (4') foot high berm constructed of stumps and logs covered with earth. These roads must be rendered impassable to cars and trucks. All stumps from road building and landing construction must be reserved to block any newly constructed roads upon completion of the sale. These stumps must be scattered along the road system to prohibit vehicular movement. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days. Contact the sale administrator for specific details of design and placement.

5 - Operations

5.2 - Conduct of Operations

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

Obvious hollow and/or den trees shall be protected and left standing unless they are a safety hazard.

5.2.3 - Operating Restrictions

5.2.3.1 - Operating restrictions (12/08)

Within Payment Unit(s) 1 through 7, unless changed by written agreement, cutting, skidding, and hauling are limited to the period of 07/01 to 03/31 during dry or frozen conditions. This restriction is because the sale units and access roads are seasonally wet.

5.2.4 - Dead and Down Creation

5.2.4.3 - Dead and down creation, dead trees (6/07)

Except as provided for in General Condition and Requirement 5.2.2, no dead trees, standing or down, are to be cut, skidded, or processed.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (1/09)

Operations are to cease immediately if equipment and weather conditions result in rutting of roads and skid trails which is 12 inches or greater in depth and 50 feet in length. The Unit Manager or his/her representative may restrict hauling and/or skidding if ruts exceed the specified depth. With the Unit Manager or his/her representative's approval, the Purchaser may return to the area when the risk of rutting has decreased.

99 - Unique

99.1 - Timber Measurements Test (2/12)

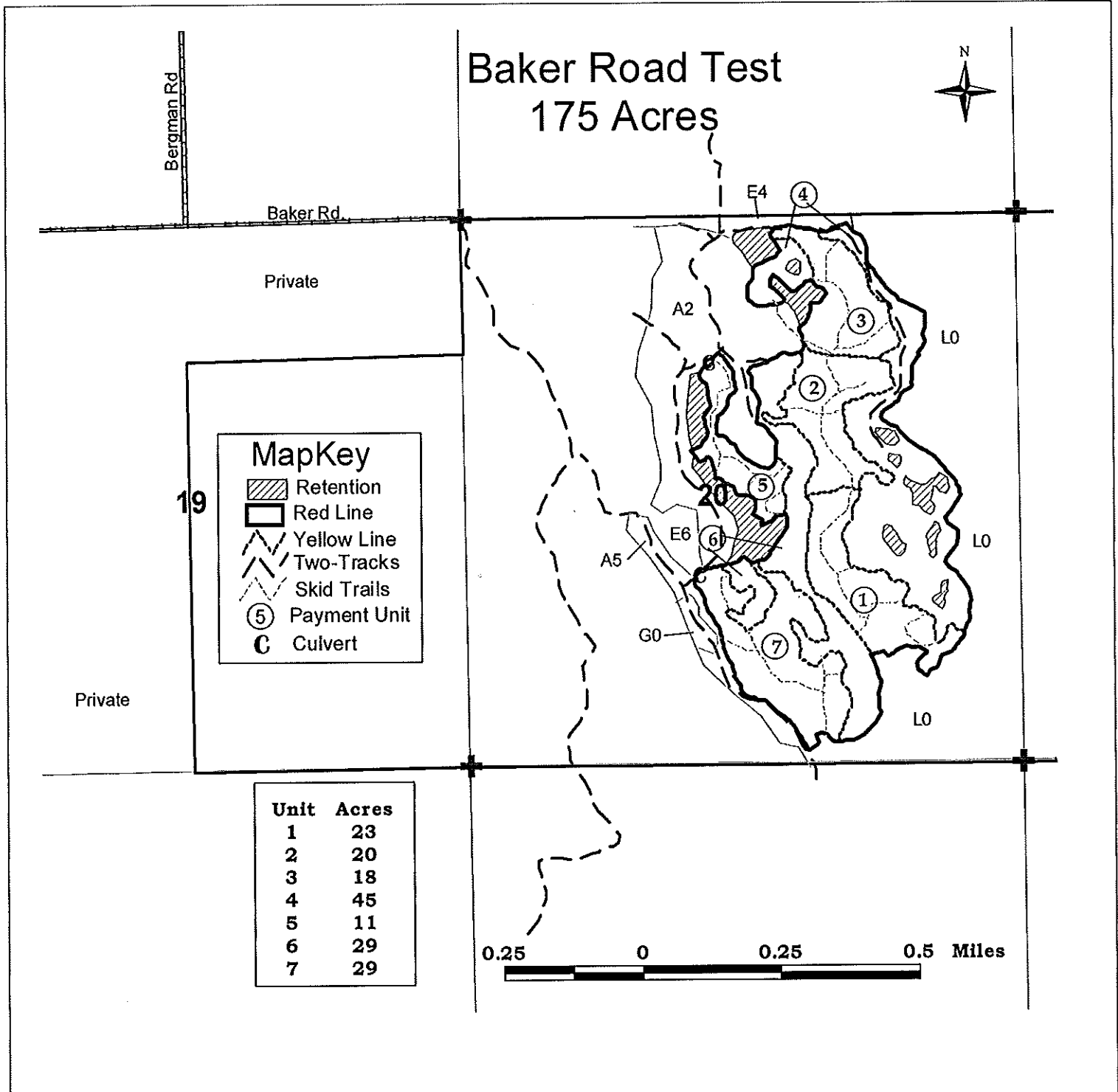
There are special requirements for Payment Units (PUs) 1 and 2. The DNR is conducting a test comparing different methods of measuring trees and determining tree volume. PUs 1 and 2 contain test areas. Both test areas have 20 test plots, i.e. there is roughly one test plot per acre. "Cut" and "Leave" trees have been numbered at each plot. Certain "Cut" trees on each test plot must be felled and cut into product lengths when DNR staff is present. Additional cuts above the last pulp stick may also be required. DNR staff will then make detailed measurements of each tree. There are 37 measurement trees in PU 1 and 49 measurement trees in PU 2.

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Sale Number	Year
73-017-11-01	2011

Forest Management Unit Gladwin Management Unit		County Midland	Mapped By S. Nyhoff	Date 07/18/11	Page 1	of 1
Township 16N	Range 01W	Section(s) and Subdivision(s) 20 NE 1/4; SENW; W 1/2SW; SE 1/4		Scale 4" = 1 mile		
Cover Type				Density		
A = Aspen	H = Hemlock	P = Lowland Poplar	V = Bog or Marsh	0 = Non Stocked	5 = Pole Timber Medium	
B = Paper Birch	J = Jack Pine	Q = Mixed Swamp Cnfr	W = White Pine	1 = Seedling Sapling Poor	6 = Pole Timber Well	
C = Cedar	L = Lowland Brush	R = Red Pine	X = Non Stocked	2 = Seedling Sapling Medium	7 = Saw Timber Poor	
E = Swamp Hdwoods	M = Mpl, Bch, Brch	S = Black Spruce	Z = Water	3 = Seedling Sapling Well	8 = Saw Timber Medium	
F = Spruce Fir	N = Marsh	T = Tamarack		4 = Pole Timber Poor	9 = Saw Timber Well	
G = Grass	O = Oak	U = Upland Brush				



BAKER RD TEST (73-017-11-01)
T16N, R01W, SEC. 20, Midland County

In response to the notice of sale to be held 11:00 a.m. (local time) on March 7, 2012, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
Sawlogs		
Mixed Aspen	56.30 MBF	\$ 83.00 / MBF \$ _____ / MBF
Mixed Hardwood	19.10 MBF	\$ 142.00 / MBF \$ _____ / MBF
Red Maple	182.20 MBF	\$ 142.00 / MBF \$ _____ / MBF
Pulpwood		
Mixed Aspen	266.00 Cords	\$ 18.30 / Cord \$ _____ / Cord
Mixed Hardwood	212.00 Cords	\$ 12.80 / Cord \$ _____ / Cord
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In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$5,494.70 :

<u>PRODUCTS & SPECIES</u>	<u>ESTIMATED UNITS*</u>	<u>ADVERTISED PRICE</u>
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White Oak	31.90 MBF	\$ 70.00 / MBF
Pulpwood		
Mixed Oak	122.00 Cords	\$ 20.00 / Cord
White Oak	83.00 Cords	\$ 9.90 / Cord

* The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

FEDERAL ID: _____ - _____ or SOCIAL SECURITY NUMBER: _____ - _____ - _____

Company or individual bidding: _____

Company representative's name: _____

Address: _____

City: _____ State: _____ Zip: _____

IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.

Individual or company representative's signature: _____ Date: _____

Phone number : _____ Email (optional): _____



TIMBER SALE

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

As required by Act 317, P.A. 1969 (Worker's Compensation) and
Part 525 of Act 451 of 1994, as amended.

FOR DEPARTMENT USE ONLY	
Sale Number (XX - XXX - XX - XX)	
Forest Management Unit:	

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

- This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.
- In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.
- All Information must be typed or printed except for written signatures.

Please Check Appropriate Categories:

1. My business is organized as (you **must** check one of the boxes below):
 - A. Sole Proprietorship (individual)
 - B. Partnership
 - C. Corporation
2. You **must** check one of the boxes below:
 - A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws.
 - B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195).
 - C. I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award.
3. If you have checked item 2(A) or 2(B), you **must** indicate the number of **both** full-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").

_____ Full-time Employees

_____ Part-time Employees

Name of Business		Federal ID (or) Social Security No.
Address		Telephone ()
City	State	ZIP

I hereby certify that the above information is true and correct. I agree to notify the Michigan DNRE of any changes that occur in factors affecting my coverage during any of my present and future operations.

Signature of Owner or Authorized Representative

Title

Date