

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
5631 Forestry Drive
Florence, WI 54121

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Department of Natural Resources
Prospectus
Notice of Sealed bids

Sealed Bids will be received by the Department of Natural Resources for timber stumpage on the Pine Popple Wild Rivers and Spread Eagle Barrens Property's. These timber sales are third party certified.

Bids must be received at the DNR office at the Florence Natural Resource Center no later than 4:00PM, Wednesday, August 21, 2019.

For timber sale maps, prospectus, bid forms, and detailed information on each timber tract - please look on the DNR website <http://dnr.wi.gov/topic/TimberSales> or Florence County website www.florencecountywi.com or contact Mary Podnar at the DNR Office at the Florence Natural Resource Center, Telephone (715) 528-4400. You may also pick up a packet at the Florence Natural Resource Center located at 5631 Forestry Drive, Florence, WI 54121.

For questions regarding sales please contact:

Tyler Wood
5631 Forestry Drive
Florence, WI 54121
(715) 889-3234

or

Paul Veirauch
5631 Forestry Drive
Florence, WI 54121
(715) 616-9586

Bids may be hand delivered or mailed to the following:

SEALED STATE TIMBER STUMPAGE BID
Wisconsin Department of Natural Resources
5631 Forestry Drive
Florence, WI 54121

Bids will be opened at 9:00 AM Thursday, August 22, 2019 in the Upper Level Cedar Conference Room of the Florence Natural Resource Center, Florence WI. The Department of Natural Resources reserves the right to accept or reject any or all bids.

Bids should be made with an as-is understanding:

- The Department does not guarantee access to sales across any non-state-owned lands.
- DNR Foresters will assist in obtaining any necessary permits. The contractor will be responsible for any permit fees and any installation, removal and restoration costs.

- The State does not guarantee volumes. Bidders are strongly encouraged to inspect sales to make their own volume and quality determinations.

BIDDING PROCEDURE FOR TIMBER SALES

- 1) Bids will be made by species for each tract; however, a minimum bid for each species is not published. A completed Wisconsin DNR Timber Bid Form, (Form 2400-049) must be used to make bids. Bids for each tract must be submitted in a separate sealed envelope clearly marked "**SEALED STATE TIMBER STUMPAGE BID**". They can be batched and mailed together in one sealed envelope.

Acceptable bids must meet or exceed the total minimum bid value. The minimum bid value is not advertised. Bids below total minimum bid value or that are incomplete will be rejected. A bid of zero for a particular species or product will be considered incomplete and will not be accepted.

- 2) The order of public reading of the timber sale bids will be done on a random basis. It will not be in tract order of first to last. At any time, up until a sale is read out loud, bidders may pull their bid(s) from consideration. To remove a bid, bidders must be in attendance.
- 3) The successful bidder will be determined by the bid that is deemed the most advantageous to the State of Wisconsin. The State of Wisconsin reserves the right to reject any and all bids.

WITHIN 6 WEEKS FROM THE DATE OF THE BID OPENING, THE FOLLOWING ITEMS NEED TO BE PROVIDED:

- 1) **A Signed Contract-** Sample contracts are available upon request. The contract period shall be for a period of 2 years unless otherwise noted in the timber sales map.
- 2) **A Performance Bond** - For each contract, the winning bidder will submit a performance bond to the Department equal to the greater of 15% of the total bid value or \$1000. Types of acceptable performance bonds are: cash bond, personal check, certified check/cashier check/bank money order, irrevocable letter of credit, or surety bond.

Maintenance of surety bond and/or of the performance bond shall be for four (4) full years.

- 3) **Workers Compensation Insurance-** The successful bidder MUST HAVE WORKERS COMPENSATION INSURANCE and must provide a Certificate of Liability Insurance indicating the Department of Natural Resources as a "certificate holder".
- 4) **Fista Training Documentation-** Documentation confirming completion of the training standard will be required.

If the winning bidder fails to execute the contract and submit an acceptable performance bond, the bidder shall be required to forfeit to the department an amount equal to 10% of the total bid amount. Failure to forfeit the 10% penalty will result in the bidder being considered ineligible to bid on any state timber sales for a two-year period

PAYMENT OPTIONS

Lump Sum Sales

One hundred percent payment on the estimated volumes shall be made prior to cutting. Payments on sales with stumpage of more than \$15,000.00 may be paid by block "per cut unit" with agreement of the Administrating Forester. Volumes to be cut are not guaranteed. If the volume of timber exceeds the estimate, as a whole or by species, the purchaser has the obligation to cut and remove it. If there is less timber than estimated, there is no obligation to make up the deficiency. The timber designated or marked will not be changed to increase the cut to the estimate. **All prospective bidders are urged to examine this timber and to make their own estimate of quantity and quality.**

Scaled Sales

There are two payment structures for the Scaled System.

1. DEFERRED STUMPAGE PAYMENT- **IF ELIGIBLE**, the successful bidder must make stumpage payments within 30 days of being billed.
2. ADVANCED STUMPAGE PAYMENT - No wood will be hauled from the sale area at any time until it has been paid for.

Timber cut will be scaled on the sale area. A representative of the Wisconsin DNR will scale all pulp and sawlogs in the woods. All sawlogs will be scaled "gross" or woods run and no deductions will be made. To obtain rough volumes for pulpwood, there will be a twelve and one-half percent increase on all sap peeled wood and eighteen percent increase on all machine peeled wood.

Lock Box Ticket System Sales

A three-part ticket set is used. Each ticket must be completely filled out. Tickets are numbered serially. Each copy of the ticket has the ticket number on it. Tickets are bound in books of 25 three-part sets. Each ticket book has a cover on which to record the name of the forest in bold letters, the timber sale number, and the contractor's name. Tickets are issued to the contractor by the sale administrator. A record of ticket numbers is maintained. Contractors are held accountable for all tickets issued. Truck drivers complete the ticket as they leave the sale area and deposit the first copy in the lock box. When they reach the destination mill, the drivers give the second copy of the ticket to the scaler. The scaler attaches this copy of the ticket to a copy of the scale slip. Periodically the scale slips with the attached tickets are returned to the Administrating Forester. The third copy of the ticket is the contractor's copy. As a condition of the sale contract, contractors agree that their trucker may be checked for compliance while enroute. For scale done by weight, the cordwood weight conversion factors found in the timber sale handbook (see below) will be used to convert weight to cords.

Cordwood Weight Conversion Factors Pounds Per Cord

Species	Weight (lbs.)	Weight (tons)	Species	Weight (lbs.)	Weight (tons)
Hemlock	4800	2.400	Yellow birch	5350	2.675
Tamarack	4650	2.325	Hard maple	5100	2.550
Red pine	4500	2.250	Elm	5000	2.500
Jack pine	4250	2.125	Balsam poplar	4900	2.450
Balsam	4250	2.125	White birch	4800	2.400
White pine	4200	2.100	Ash	4600	2.300
Spruce	4000	2.000	Soft maple	4550	2.275
Cedar	3150	1.575	Aspen	4500	2.250
Red oak	5500	2.750	Basswood	3850	1.925
Mx Hardwood	4800	2.400			

CONTRACT EXTENSIONS

Contract lengths are given on the timber sale map. Contract extensions are not guaranteed. All extensions will be for 1 year. They will be considered with the following conditions:

Two year contracts

- 1st extension – 5% increase in stumpage rate
- 2nd extension – an additional 10% increase in stumpage rate
- Additional extensions - if permitted an additional 15% increase in stumpage rate.