

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

ADL # 108447

BABY BROWN

TIMBER SALE PROSPECTUS

Timber Sale NSE - 1549

INTRODUCTION

This prospectus is intended to furnish sufficient information to enable prospective bidders to decide whether further investigation of the sale is warranted. Descriptions, estimates and other information within this prospectus are not a part of the contract unless otherwise stated. Should the prospectus be in error or contradict the sample contract, the sample contract governs. Prospective bidders are urged to examine the timber sale and to make their own estimates. Estimated quantities and quality of timber in the contract are not guaranteed. The sale area and sample contract should be reviewed prior to submission of a bid.

LOCATION AND AREA

The "Baby Brown" timber sale is located approximately 37 air miles northwest of Haines, Alaska. The sale will be for an estimated 19.7 million board feet of timber on approximately 855 acres located on the south side of the Klehini River drainage between Porcupine and Jarvis Creeks. Access to the sale area on the state road system is via the Haines Highway to the 26-mile steel bridge to the Little Salmon Road to the Sunshine Mountain Road to the Porcupine Road to the sale area. The sale area, consisting of 4,992 acres, more or less, is within portions of Sections 14, 15, 16, 21, 22, 23, 24, 25, 26, 27 and 36 T28S R53E, and Sections 19, 28, 29, 30, 31, 32 and 33 T28S R54E, Copper River Meridian.

VOLUME AND DESCRIPTION OF TIMBER

The timber volumes are estimates based on the average volume per acre found in the Haines State Forest Inventory Report (May 1994) with the species and product table below derived from variable plot cruise data collected from 252 acres sampled in 1997/98 adjacent to Glacier Creek. This data provided estimated volume distribution by species and product presented in the table below. This information is available for inspection at the Division of Forestry Office in Haines. The State neither expressly nor impliedly warrants its quantity estimate, nor the quality or marketability of the timber sold. Prospective bidders should visit the site and evaluate the timber before bidding to determine economic value independently of the estimates presented in this sale prospectus.

The Baby Brown Timber Sale Area contains 10 proposed harvest units totaling approximately 855 acres. The attached Sale Area map illustrates the harvest unit locations and proposed harvest road location.

Estimated Net Sale Volumes (Net Scribner based on NW Grading Rules)

Species & Product	Volume
Spruce Sawlog	2,389 MBF
Spruce Utility	560 MBF
Hemlock Sawlog	11,868 MBF
Hemlock Utility	4,848 MBF
Total Volume	19,655 MBF

Other Timber Characteristics:

Estimated Volume per Acre = 23.6 MBF
Average Logs per MBF = 5.4 logs/MBF

BIDDING:

- This is a SEALED BID, SCALED SALE.
- To qualify for bidding all bidders must, prior to the bid opening, submit a copy of their current Alaska Business License. The business license copy may accompany the sealed bid.
SEALED BIDS SHALL BE SUBMITTED IN DUPLICATE, ON FORMS PROVIDED BY THE DIVISION OF FORESTRY, marked on the outside with "Bid NSE-1549, Baby Brown" and addressed to the Division of Forestry, Ketchikan Office, 2417 Tongass Avenue Suite 213, Ketchikan, Alaska 99901.
- Bids will be accepted until and will be opened at 2:00 P.M. local time on December 15, 2016 in the Division of Forestry's Office, Ketchikan Alaska.

The State reserves the right to reject any or all bids. Unless all bids are rejected, the State will award the sale to the responsible qualified bidder offering the highest total bid for the sale. Bidders must submit offers based on timber species and sort per one thousand board feet of volume (MBF). Bids shall be for Spruce Sawlog, Hemlock Sawlog and Utility (all species) volume/MBF, separately. The minimum total acceptable bid for the total sale volume is \$250,000.00 USD (United States Dollars).

If a tie between two responsible qualified bidders offering the high bid occurs, the successful bidder will be determined by lot at the time of bid opening.

If bidding as an agent for an individual, partnership, or corporation, the agent must submit with the bid a notarized power-of-attorney authorizing such agency. No agent may represent more than one principal, or bid in competition with the agent's principal.

Bid Guarantee: A bid deposit in the amount of 5% of the total bid will be required at the time bids are submitted. Deposits from unsuccessful bidders will be returned at the time the sale is awarded. The deposit furnished by the high bidder whose bid was declared acceptable will be retained as liquidated damages if the bidder does not execute the contract and furnish a satisfactory performance bond within 30 days of receipt of the contract for execution.

PERIOD OF CONTRACT: The contract shall be for a period of 60 months (5 years) from the date signed by the STATE. In order to protect soil productivity and environmental quality, the STATE reserves the right to temporarily suspend operations during periods of excessive wetness. Operations may also be suspended during periods when snow cover depth exceeds 12 inches on average across the active harvest unit(s) if adequate scarification for regeneration is not occurring or provided for in the operating plan.

STUMPAGE PAYMENT: The payment for stumpage will be made on an independent third party scaled volume. Timber volume will be calculated based on the “Official Log Scaling and Grading Rules” developed by the Northwest Log Rules Advisory Group for the Log Scaling and Grading Bureaus of the Pacific Northwest. The purchaser will pay stumpage for the sale in regular payments, based on monthly log scale receipts as described in the timber sale contract.

1. **Stumpage Deposit.** The amount of the stumpage deposit will be determined by the Operating Plan and will be based on the value of the harvest of two months of timber volume at the sale contract award amount. If the level of productivity increases over the term of the contract, a corresponding increase to the stumpage deposit amount will occur.
2. **Initial Stumpage Payment.** An initial stumpage payment of twenty-eight thousand dollars (\$28,000.00 USD) is due prior to the start of harvest activities or at the time of contract signing if the anticipated start of harvest operations is less than 30 days from the date of contract signing.

PERFORMANCE BOND: A performance bond is required. The sum of the bond will be Eighty thousand dollars (\$80,000.00 USD) and shall be in the form of certified check or money order made payable to the STATE.

The Purchaser will have 30 days from the receipt of the contract for signing to return it to the Division of Forestry, Ketchikan Office, 2417 Tongass Avenue Suite 213, Ketchikan, Alaska 99901, properly signed and notarized, along with the performance bond.

TERM OF THE CONTRACT: The term of the contract will be 60 months (5 years).

PRIMARY MANUFACTURE: Primary manufacture of logs from this sale is not required.

LOG SCALING: Log scaling by a third party at the expense of the PURCHASER, independent of the STATE or the PURCHASER, is required. This will be the basis for payment to the STATE for the sale volume as described in the contract. The STATE reserves the right to inspect all third party scaling activities related to the determination of stumpage volume at any time. A scaling plan will be submitted by the Purchaser prior to operating and is subject to approval by the STATE.

Truck load or bundle scaling is the anticipated method for scaling and accountability. A Sample Scale of 1 in ten loads/bundles must be laid down to allow individual log scaling. This sample scale will be used to maintain a 90% tolerance level of accuracy with regard to the truck/bundle scale results.

UNIT DESIGN: Preliminary Unit design is proposed by the STATE in the draft Forest Land Use Plan (FLUP) for the first 137 acres. This design may be modified by the Purchaser based on a submitted and State approved Timber Sale Plan of Operations. Prior to the purchaser operating an adopted FLUP shall be in place that represents the timber sale activity per the requirements of the Alaska Forest Practices Act and Regulations. The State shall administratively develop the FLUP in coordination with other State Agencies and the timber harvest methods detailed in the contract.

TOPOGRAPHY AND STAND CONDITIONS: The sale is located on moderate rolling terrain with some units having slopes greater than 45% incline, but typically not more than 67%. Cutting units are proposed for selective harvest and clear cutting to occur on 855 acres within 10 harvest units based on slope and stand conditions and a typical operator's ability to employ ground based and cable yarding systems in southeast Alaska. Actual yarding methods will be subject to approval by the STATE. The Harvest System Map's prepared for the FLUP for each unit will identify areas for ground or cable yarding systems. Site conditions at the time of harvest may restrict harvest system options and the STATE will determine the most appropriate harvest method based on site inspection prior to yarding.

VALID AND EXISTING RIGHTS: The State sold the Glacier Creek 2 Timber Sale to Channel Construction on 03/12/2015. This sale was sold as a three year contract with a termination date of March 12, 2018. The purchaser has not begun operations and the State has not received an operations plan for the timber sale as of this solicitation. The installation of the Glacier Creek Bridge is required under the contract for the Glacier Creek 2 Timber Sale. This creek crossing will be operationally needed as well for the purchaser of the Baby Brown Timber Sale to access the area between Glacier Creek and Jarvis Creek as depicted on the attached map. Channel Construction does not have exclusive rights to the right of way or the crossing structure. The successful Purchaser is responsible for coordination with Channel Construction as needed for the use and development of the required infrastructure.

REQUIRED INFRASTRUCTURE:

Estimated Miles of Road Construction

New Main Haul	5.1
New Spur	2.2
Reconstruct Main Haul	2.6

All roads and bridges shall meet the DOF Forest Road and Bridge Standards. The standards are accessible for download at:

<http://forestry.alaska.gov/resources>

The sale will require the installation of a State approved permanent crossing structure across Sarah Creek on the main haul road accessing the north western harvest areas as well as several purchaser supplied temporary bridges on spur roads that may be removed once harvest activity is complete. These temporary bridges cross streams of size and characteristics that have been identified as significant for resident fish. Typical span of the temporary bridges are anticipated to be less than 60 feet.

Main Haul Roads are located on the ground and marked with orange flagging. Spurs roads shall be proposed as the units are designed and will be depicted on the Harvest Unit Maps in the Forest Land Use Plan (FLUP).

If the Purchaser jointly uses the roads in this sale area with other authorized parties, the Purchaser shall enter into a joint use road agreement prior to operating on these roads to provide for adequate maintenance and compatible use.

EXTENSIONS: Extensions are not generally granted, except in instances where the STATE temporarily suspends operations for reasons stated above; then, an amount of time equal to that of the suspension may be added to the contract period. Additional extensions may be granted for up to one additional year by the State upon the PURCHASER'S written request and an advance payment of \$1,000.00. Any request for an extension shall be made at least thirty (30) days prior to the contract expiration date. Such extension may be granted by the STATE, at the STATE's sole discretion. The total extension time will not exceed one year.

RESERVATIONS: The state reserves the right to waive technical defects in this prospectus and reject any and all high bids. The State reserves the right to award the timber for the amount of the next high bid to the next highest bidder if the Director considers the highest bidder unqualified to fulfill the requirements of the contract, or if the contract is not executed by the highest bidder. The State also reserves the right to waive any informality in the bids received whenever the waiver is in the best interests of the State.

GENERAL: Further information, including copies of this prospectus, bid form, sample contract and volume determination data may be obtained by writing to Division of Forestry – Haines State Forest Office, P.O. Box 263, Haines, AK 99827, by calling (907) 766-2120 or by contacting the Haines State Forest Office, Attention: Forester in Charge or by email at greg.palmieri@alaska.gov. The information and documents may also be picked up in person by visiting the Haines State Forest Office in Room 26A, Gateway Building, 219 Main Street, in Haines.

