

INTEGRATED RESOURCE TIMBER CONTRACT PROSPECTUS

Contract Name: Elk Forage Stewardship	
National Forest: Mt. Baker-Snoqualmie	Ranger District: Snoqualmie
Bidding Method: Sealed Bid	Bid Guarantee: Not Applicable
Location to Submit Bid:	Snoqualmie Ranger District North Bend Office 902 S.E. North Bend Way, Bldg. 1, North Bend, WA 98045
Bids Must be Submitted by:	Date: 9/18/2008 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 contract. The prospectus is not a legally binding document, but is offered to provide general information about a stewardship contract. 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 contract area and make their own estimates. Contract Form FS-2400-13T will be used. Inspect the contract area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, restoration service projects description(s) and specification(s), and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

2. SUBMISSION OF BIDS. This is a contract will be awarded on a best value basis. Bidders shall submit proposals in two parts; Technical Proposal, and a Price Proposal. The price proposal shall be made using the attached Bid for Integrated Resource Contract form. The form includes instructions for making the Technical Proposal as well as submission of the required certifications.

Total Sale Value Bidding:

Prospective contractors must submit bids in terms of the minimum acceptable total timber value. The bid form states minimum acceptable bid rates and estimated quantities of timber, together with the minimum acceptable total timber value. The advertised minimum acceptable total timber 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 timber 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 timber value bid rate divided by the minimum acceptable total timber 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 contract area map attached to the sample contract for legal location of contract area, location of payment units (Substitute "subdivision" for "payment unit" for scaled contracts.), location of cutting units, the acreage of contract area, and the cutting unit acreage.

THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE CONTRACT AREA MAP OR SAMPLE CONTRACT.

The contract area is accessed via Highway 410 and Forest Service Roads 70, 7020, 7140, 72, and associated spurs (see Contract Area Map). Commercial harvest units are clearcuts approximately 1 to 14 acres in size. Boundaries are posted

with yellow clearcut boundary tags and marked with orange paint. Pre-commercial treatment unit boundaries are flagged. See Unit Volume and Logging System Summary table for commercial volumes and acreages.

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 contract 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 contractor will incur. The contractor will be responsible for the road construction cost and WILL NOT receive credit towards stumpage costs for this expense. 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 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
Douglas-fir	Sawtimber	CCF	6,400.00	11.2"	\$ 55.30	\$1.00	\$5.38	\$0.00
Western Hemlock and Other	Sawtimber	CCF	186.00	9.5"	\$24.56	\$1.00	\$5.38	\$0.00
Western Red Cedar	Sawtimber	CCF	118.00	11.3"	\$109.77	\$1.00	\$5.38	\$0.00
Required Removal at Fixed Rates								
Nonsawtimber	Non-Saw	CCF	5.00	N/A	\$0.25	\$0.25	\$5.38	\$0.00
	TOTAL	CCF	6,709.00				\$36,094.42	\$0.00

The minimum acceptable total contract value bid for advertised timber is \$371,441.02. It does not include any non-biddable, fixed rate species listed on the bid form in the lower section of block 14 titled "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. Contractors are responsible for the cost of specified road construction.

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. Contractors are responsible for the cost of specified road construction. Specified road construction costs ARE NOT available to use as credit for the payment of stumpage.

This contract contains contract provisions for stumpage rate escalation. Tentative bid rates for timber, except Nonsawtimber Non-Saw, apply, subject to quarterly adjustment during the contract period.

5. **PERIOD OF CONTRACT.** The normal operating season covers the period between _____ June 1 and October 31.

The contract termination date is 10/31/2013. Extensions of this contract may be granted only when the contractor has met specified conditions.

6. PAYMENT. Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. The Contractor is to provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. The contractor shall make advance deposits in accordance with provision E(T)2.1.2 - Advance Deposits.

If a qualified bidder elects to have the Forest Service construct specified roads, the contract shall provide for collection of not less than the full estimated cost of the roads stated in this prospectus, in addition to the current contract rate value and required deposits. Contract Form FS-2400-13T provides for collecting the estimated public works road construction cost as each payment unit is released for cutting, at a rate accelerated on 80 percent of the estimated volume.

If bidder elects the road option, payment for right-of-way timber will be made in advance of cutting. The timber will be decked by the road contractor and will be made available to the contractor when notified by Forest Service of location and availability. If contractor and road contractor agree, contractor may cut and remove right-of-way timber as part of the specified road construction.

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 contract, 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 \$38,000, 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. 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 contractor. 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 contract.

Road Number	Road Name	Traffic Service Level	Approximate Miles	Estimated Road Construction Cost	Type of Work *
7000-118	7000-118	C	0.07	\$981.75	R
7000-119	7000-119	C	0.09	\$470.25	R
7012-240	7012-240	C	0.88	\$5,967.50	R
7020-050	7020-050	C	0.22	\$5,302.00	R
7020-110	7020-110	C	0.3	\$7,342.50	R
7200-420	7200-420	C	0.46	\$11,932.25	R
7270	7270	C	0.95	\$6,034.88	R
7012	Divide Ridge	C	0.88	\$3,317.60	R
7013	Foss Creek	C	1.08	\$48,504.50	R
70	Greenwater	B	7.21	\$47,602.78	R
7010	Midnight Creek	C	2.49	\$22,508.75	R
7140	Old Twin Camp	C	1.24	\$10,389.50	R
7020	Slide West	C	0.9	\$44,401.50	R
72	Twenty Eight Mile Creek	B	0.62	\$11,610.50	R

* C = Construction

R = Reconstruction

The required specified road completion date for all roads is 10/31/2009. If provision K(T)-F(T).1.3# - Road Completion Date has different dates for projects, this is the final road completion date.

Total estimated road construction cost allowed in appraisal is \$245,027.15.

A bidder qualifying as a small business concern may elect to have the Forest Service construct the specified roads listed above. Completion dates for construction apply whether construction is performed by the contractor or by the Forest Service. If the bidder elects Forest Service construction, it is the Forest Service's intent to perform construction through Public Works Contract. The Forest Service shall not award the contract unless either it receives a satisfactory road construction bid or, if it fails to receive such a bid within 90 days of opening bids, the bidder agrees to perform road construction.

If contractor elects Forest Service construction, the total estimated public works construction cost that would be paid in addition to current contract rates is \$281,707.80. See provision K(T)-E(T).1.2# – Amount Payable for Timber in the sample contract for additional information.

The estimated road construction cost includes the cost of road reconstruction engineering services, pursuant to Public Law 88-657, 78 Stat. 1089, 16 U.S.C. 532-537. Refer to provision K(T)-F(T).2.1.3# - Deposit for Reconstruction Engineering Services in the sample contract for additional information.

Contractor shall make a cash deposit in the amount \$18,660.89 for engineering services completed by Forest Service in preparation of this contract. The Forest Service shall complete reconstruction related engineering services on the following schedule:

Road or Facility No.	Termini From - To (MP or Sta.)	Engineering Services Completion Date
N/A		

9. ROAD MAINTENANCE. Contractor shall perform or pay for road maintenance work, commensurate with contractor's use, on roads controlled by Forest Service, and used by contractor in connection with this contract. Road maintenance requirements are based on the predicted haul route. Any change in the contractor'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 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 INTEGRATED RESOURCE CONTRACT OR THE INTEGRATED RESOURCE TIMBER CONTRACT. If requested by the contractor, the contract can provide repayment of direct SBA loans through the Forest Service as the timber is cut.

13. SET-ASIDE CONTRACTS. Not Applicable.

14. 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.

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 contractor to be responsible, a Contracting Officer must find that:

- a. The contractor has adequate financial resources to perform the contract or the ability to obtain them;
- b. The contractor is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The contractor has a satisfactory performance record on integrated resource timber contracts. A prospective contractor 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 contractor's control and were not created through improper actions by the contractor or affiliate, or that the contractor has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a contractor 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 contractor has a satisfactory record of integrity and business ethics;
- e. The contractor 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 contractor is otherwise qualified and eligible to receive an award under applicable laws and regulations.

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 integrated resource contract 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 contractor responsibility requirements, and bidder has made a false statement.

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 contractor, to submit a certification for itself, its principals, and its affiliates when bidding on contracts. 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 contractor 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. Contractor must keep these subcontractor certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for subcontractors transactions are provided as an addendum to the bid form.

20. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS. Conduct of operations on this contract 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 contractors to ensure compliance with the logging operations regulations during conduct of this integrated resource contract from the U.S. Department of Labor, Occupational Safety and Health Administration, 505 106th Avenue NE, Suite 302, Bellevue, Washington 98004, (425) 450-5480.

21. GENERAL.

- A. The following changes will be made to the sample contract when the Forest Service constructs specified roads;
- A(T).3 - Timber Designations: "Specified Road Clearing" will be changed to "Construction Clearing" (K(T)-C(T).3.2.3).
 - A(T).7 - Change the title to "Permanent Roads To Be Constructed by Forest Service."
 - A(T).8 - Delete and replace with new pages. Add "None" as appropriate.
 - A.22 (AT.19) - Make the following changes in A.22 (AT.19):
 - Add K(T)-C(T).3.2.3 - Construction Clearing
 - Add K(T)-E(T).1.2# - Amount Payable for Timber
 - Add K(T)-I(T).4.1 - Limitation of Performance by Other Than Contractor
- B. If contractor elects to use FSR 7000-115, a temporary easement must be obtained from the private property owner by the contractor.
- C. The Government may, when in its interest, reject any or all offers or waive any informality 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.
- D. Award of the contract will be made to the Bidder, (a) whose proposal is technically acceptable, and (b) whose technical/price relationship is the most advantageous to the Government. All technical factors when combined are approximately equal to cost or price. The critical factor in making any technical/price trade-off is not the spread between the technical ratings, but rather the significance of that difference. The significance of the spread in ratings will be determined on the basis of what that difference might mean in terms of performance and what it would cost the Government to take advantage of it. Where technical proposals are determined to be substantially equal, any price advantage to the Government may control award.
- E. Bidders will be debriefed per requirements stated in FAR 15.505 and FAR 15.506. A bidder, upon written request received by the Contracting Officer within 3 days after the date on which the bidder has received notification of contract

award, shall be debriefed and furnished the basis for the selection decision and contract award. Debriefings may be done orally, in writing, or by any other method acceptable to the Contracting Officer.

F. SUBMISSION OF BIDS: Bids must be submitted to the Bid Custodian, designated by the solicitation as the receiving officer, at or prior to the time for receipt of bids. Such bids, and required copies, must be enclosed in a sealed envelope addressed to the designated receiving officer. The envelope should show on the outside (a) that it is a "Best Value Bid," and (b) the contract name or number, and the date and time of bid closing, as shown by the bid form. Bids received after the time specified on the bid form are late bids.

G. Table of mandatory and Optional Stewardship Projects. See A.4.3 or AT.4.4, and K(T)-G(T).9 in the sample contract for more information.

Project#	Mandatory or Optional (M or O)	Description	Unit of Measure	Quantity
001	M	Create elk forage openings.	Acres	24.16
002	M	Place FSR 7200-223, 7200-224, and 7270 in storage.	Acres	1.16
003	O	Treat non-merchantable trees in clearcutting units.	Acres	135.00
004	O	Prepare units for forage establishment	Acres	158.00

H. Table of Restricted Operating Periods Applicable to Timber Removal.

Restriction <u>1/</u>	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Aquatics work window	X	X	X	X	X	X			X	X	X	X

1/ Refer to contract provisions K(T)-G(T).2.4# and K(T)-G(T).3.1.5# in the sample contract for specific dates and restrictions.

I. Contractors are to submit as part of their proposal package the number of copies indicated below.

Item description	# of Copies
Offer Form FS-2400-14BV signed by Contractor	1
Technical Proposal	6
Price Proposal	1

J. Unit Volume and Logging Systems Summary

Payment Unit #	Cutting Unit #	Acres	Logging System Acres		Sawtimber Volume (CCF)			Nonsaw Volume (CCF)	Remarks
			Ground Based	Skyline	Douglas -fir	Western Hemlock and Other	Western Red Cedar		
1	2	7.3	3.6	3.7	395.9	10.2	6.9	0.2	
	13-1	4.9	1.0	3.9	266.6	6.9	4.6	0.1	
	13-2	1.3	1.3		72.8	1.9	1.3	0.0	
	14	10.8	10.8		586.5	15.2	10.2	0.3	
	15	4.3	4.3		233.5	6.0	4.0	0.1	
	16	8.9	6.7	2.2	484.9	12.5	8.4	0.2	Downhill skyline.
Payment Unit 1 Total		37.6	27.7	9.8	2040.2	52.8	35.3	1.0	
2	17	7.7	7.7		417.1	10.8	7.2	0.2	
	18	8.8		8.8	476.3	12.3	8.2	0.2	
	19	10.2	10.2		551.7	14.3	9.6	0.3	
Payment Unit 2 Total		26.6	17.9	8.8	1445.1	37.4	25.0	0.7	
3	25	13.8	13.8		749.4	19.4	13.0	0.4	
	26	13.9	4.8	9.1	754.8	19.5	13.1	0.4	
	28	5.0	2.0	3.0	271.5	7.0	4.7	0.1	
	29	7.5	3.8	3.7	408.4	10.6	7.1	0.2	
Payment Unit 3 Total		40.2	24.4	15.8	2184.1	56.5	37.8	1.0	
4	31	10.1	6.1	4.0	238.9	13.1	6.5	0.7	Downhill skyline.
	33	2.1		2.1	50.9	2.8	1.4	0.1	
	34	8.0		8.0	190.2	10.4	5.2	0.5	
	35	2.9		2.9	69.2	3.8	1.9	0.2	
	36	2.4		2.4	56.8	3.1	1.6	0.2	
	37	5.3	5.3		125.3	6.8	3.4	0.3	
Payment Unit 4 Total		30.8	11.4	19.4	731.1	40.0	20.0	2.0	
Total All Units		135.2	81.4	53.8	6400.5	186.6	118.1	4.7	

The above listed yarding systems are in no way required by the contract, but serve as the basis for calculating the stump-to-truck cost in the appraisal which was used to develop the advertised rate. The contractor is to include yarding methods as part of their technical proposal.