BUNCH GULCH TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Bunch Gulch Timber Sale is located within Sections 25 and 36, T2N-R19W on the State's Hamilton Unit. Approximately 10,787 tons, consisting primarily of Douglas-fir with a minor component of ponderosa pine offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **July 25, 2005 at 2:00 p.m.** Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. **DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.** Bids must be accompanied by a deposit of **$8,843.00** representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **30** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Southwestern Land Office, in Missoula (406-542-4200), or the Hamilton Unit Office in Hamilton, MT (406-363-1585).

Visit our website at www.dnrc.mt.gov (click on Trust Land Management, then Forest Management) for upcoming timber sales and bid results.

/s/ David Groeschl, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: June 22, June 29, July 6, 13, 2005

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name:	**Bunch Gulch**		
Timber Sale Location:	**Sections 25 & 36, T2N-19W**		
For specific sale information, contact: Paul Moore			
Phone	406-363-1585	Hamilton	Unit Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-542-4200	Southwestern	Land Office

General Bidding Information

1. Bids must be submitted on standard DNRC bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
3. DNRC recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
4. A **bid guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, bank money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **performance bond** within **30** days of the sale award. It will amount to 20% or more of the bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract.
6. The Purchaser must submit an **advance stumpage payment** prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. The Purchaser will pay **Forest Improvement fees** and any special **Road Use and Maintenance fees** in addition to stumpage payments.
8. The successful bidder must sign an agreement that prohibits exporting State logs.
9. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
10. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood will be weighed and billed at per ton bid rates. The Department recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the Purchaser and the tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding.
11. DNRC does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not its market value. Purchasers should make their own estimates based on contract requirements.
12. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above. **A sale area tour is planned for July 12, 2005. Meet at the Sula Clubhouse at 10:00 a.m.**
13. Estimated stand data in this prospectus and volume estimates in the sale contract are not guaranteed.
14. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications			
Sale Data			
351	Net Sale Area (acres)	**1.2**	Miles of road construction
June 15, 2007	Contract ending date	**.4**	Miles of road reconstruction
14%	**Excaline** logging required (% of volume)	**.48**	Miles of road **obliteration**
Operating Season: **(August 1 – October 15)** (**January 1 – February 15)**			
Charges and Appraised Costs			
$8,843.00	Bid Guarantee (total $)		
20% of Bid Value	Performance Bond		
None	Collected Road Maintenance And Road Use Charges ($ per ton)		
$2.90	Collected Forest Improvement Fee ($ per ton)		
$5,213.72	Quarterly Installment of Forest Improvement Payments ($ per payment, first 5 payments)		
$38,893	Road Development Costs - Appraised Purchaser-Do (total $)		
$.56	Road Maintenance Costs - Appraised Purchaser-Do ($ per ton)		
$.60	Slash Disposal Costs - Appraised Purchaser-Do ($ per ton)		
$.00	Timber Stand Improvement Costs - Appraised Purchaser-Do ($ per ton)		

TABLE 2: Timber Cruise Data and Minimum Bids

SPECIES	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									**$16.40/ton**
Gross Cubic Feet (in thousands)	**2**	**319**						**128**	**449**
Net Cubic Feet (in thousands)	**1**	**272**						**95**	**368**
Pounds per cubic foot	**62**	**62**						**50**	**59**
Tons	**41**	**8376**						**2370**	**10787**
Gross MBF (Scribner 6" top DIB)	**9**	**1641**						**702**	**2352**
%Cull and Breakage	**15**	**15**						**26**	**18**
Net MBF	**8**	**1395**						**519**	**1922**
Average logs per MBF	**6**	**11**						**9**	**11**
Average DBH **(QDH)**	**23**	**17**						**21**	**18**
Average tons per acre harvested in leave-tree marked units									**N/A**
Average tons per acre harvested in cut-tree-marked units									**31**
Average MBF to cut per acre on the timber sale									**5.48**
Range of cut trees per acre based on unit cruise									**25**

Calculated Sampling Error (*net* MBF): **5.9** %

The total cruised volume will fall between **10,148** and **11,426** tons in 9 out of 10 cruises

Tons Per Thousand Board Feet Conversion Factor = **10,787** net tons per **1,922** net MBF = **5.61** tons per MBF

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
1	**36**	**19**	**851**	**146**	**February 15, 2007**
2	**36**	**171**	**6,466**	**1143**	**February 15, 2007**
3	**36**	**77**	**1,786**	**340**	**February 15, 2007**
4	**25**	**76**	**1,620**	**279**	**February 15, 2007**
5	**25**	**8**	**64**	**14**	**February 15, 2007**

Additional Sale Information:

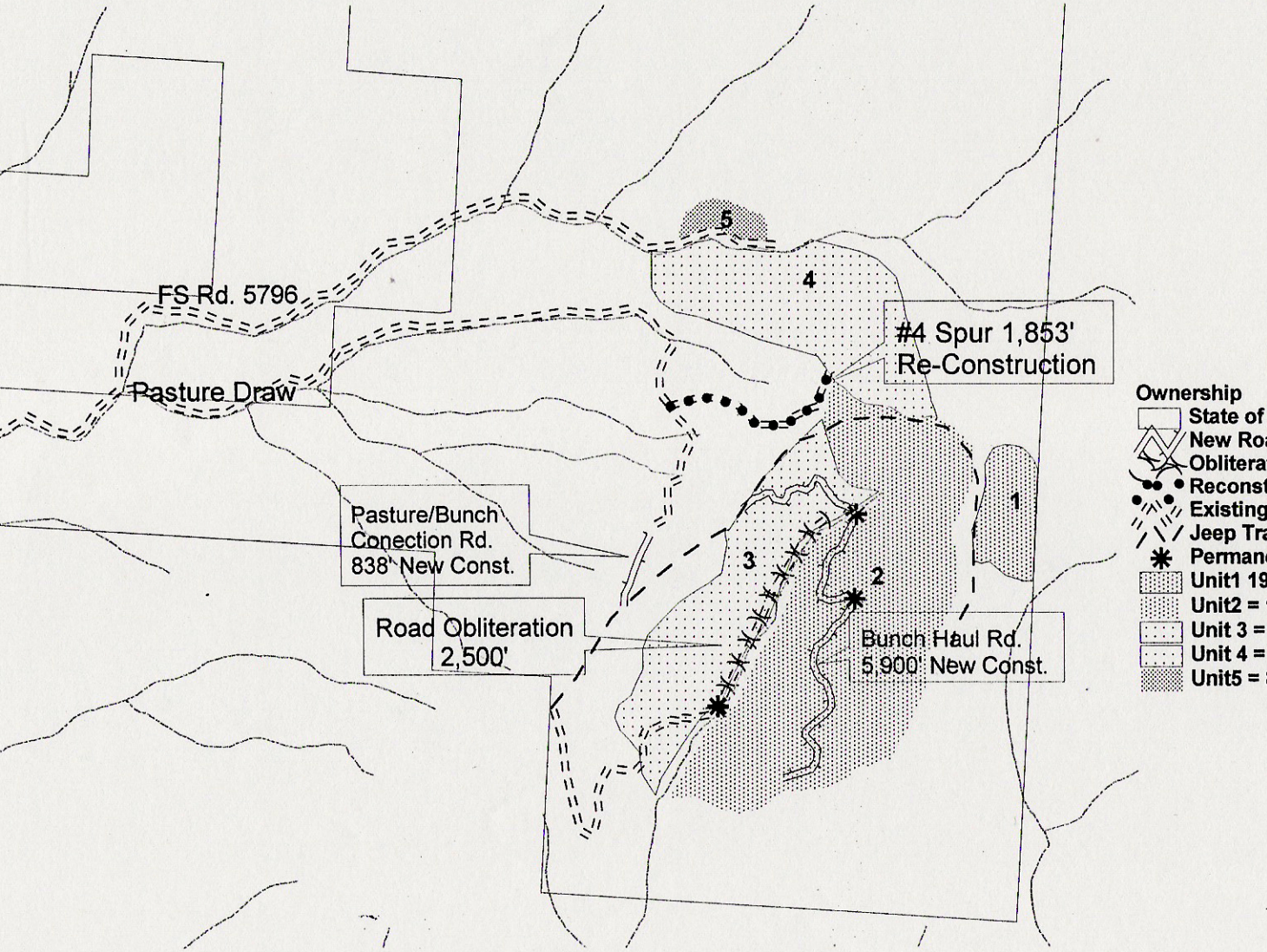
1. Estimated Purchaser-do road development costs are provided for information purposes only. All cost are estimates or averages only. These costs are provided only to show the relative amount of work required, and not it's market value. Purchasers should make their own estimates based on contract requirements.
2. The forest Improvement fee for this sale will be **$2.90** per ton for sawlogs. The Purchaser will make Forest Improvement payments in six installments. The first five payments will be **$5,213.72** each. The final Forest Improvement payment will be made in conjunction with the final sale billing. The amount of the final billing will be adjusted to reflect payment due based on the actual sale volume.
3. **The Purchaser will be required to reduce logging slash fire hazards to an acceptable level as directed by the Forest Officer by using a combination of machine piling, lopping and scattering.**
4. **Soils within the timber sale area are highly erosive:**
   a. **The timber sale contract requires the Purchaser to conduct a substantial amount of work, including gravelling of drain dips and sediment trap construction (straw wattles, sediment stop, or filter fabric fences), to existing roads to bring them up to BMP standards.**
   b. **The Purchaser will be required to make special efforts to avoid skidding in and immediately adjacent to draw bottoms.**
   c. **Ground-based skidding equipment operation shall be restricted to slopes less than 40 percent. Adverse skidding with ground-based equipment is restricted to slopes less than 30 percent. Slopes greater than 40 percent shall require excaline (cable) yarding. Approximately 24 acres in Unit 2, 6 acres in Unit 3, and 20 acres in Unit 4 will require excaline yarding.**
   d. **The Purchaser may be required to construct drain dips and to spread slash over steeper skid trails and cable corridors following use to prevent erosion.**
5. **During the period January 1 through February 15, mechanized timber sale operations will be restricted to a single drainage (Bunch Gulch, Georges Draw, or Pasture Draw) at a time to minimize disturbance to wintering bighorn sheep. Once operations are completed in a drainage the Purchaser will be allowed to move into the next area.**
6. **The timber sale contract requires that all road construction, reconstruction and obliteration work be done with a tracked excavator with a thumb.**
7. **Harvest operations in Units 2 and 4 are restricted to the winter season (January 1 – February 15).**
8. **The Purchaser may remove non-sawlog material at the rate of $2.00/ton provided it is approved by the Forest Officer.**

TABLE 4: Total Net Cubic Feet (6" top diameter) by Diameter Class and Species (Cut trees)									
	Thousand Cubic Feet								
DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9		**1**							**1**
≥9 and < 11		**4**							**4**
≥11 and < 13		**15**						**1**	**16**
≥13 and < 15		**24**						**3**	**27**
≥15 and < 17		**30**						**8**	**38**
≥17 and < 19		**36**						**12**	**48**
≥19 and < 21		**28**						**11**	**39**
≥21 and < 23		**33**						**10**	**43**
≥23 and < 25		**28**						**8**	**36**
≥25 and < 27	**1**	**16**						**10**	**27**
≥27 and < 29		**8**						**7**	**15**
≥ 29 +		**49**						**25**	**74**
TOTAL	**1**	**272**						**95**	**368**

TABLE 5: Total Number of Cut Trees by Diameter Class and Species									
DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9		**222**						**10**	**232**
≥9 and < 11		**507**						**20**	**527**
≥11 and < 13		**1129**						**95**	**1224**
≥13 and < 15		**1146**						**149**	**1295**
≥15 and < 17		**1038**						**259**	**1297**
≥17 and < 19		**913**						**298**	**1211**
≥19 and < 21		**550**						**251**	**801**
≥21 and < 23		**513**						**182**	**695**
≥23 and < 25		**355**						**113**	**468**
≥25 and < 27	**10**	**179**						**123**	**312**
≥27 and < 29		**70**						**71**	**141**
≥29 +		**254**						**146**	**400**
TOTAL	**10**	**6876**						**1717**	**8603**

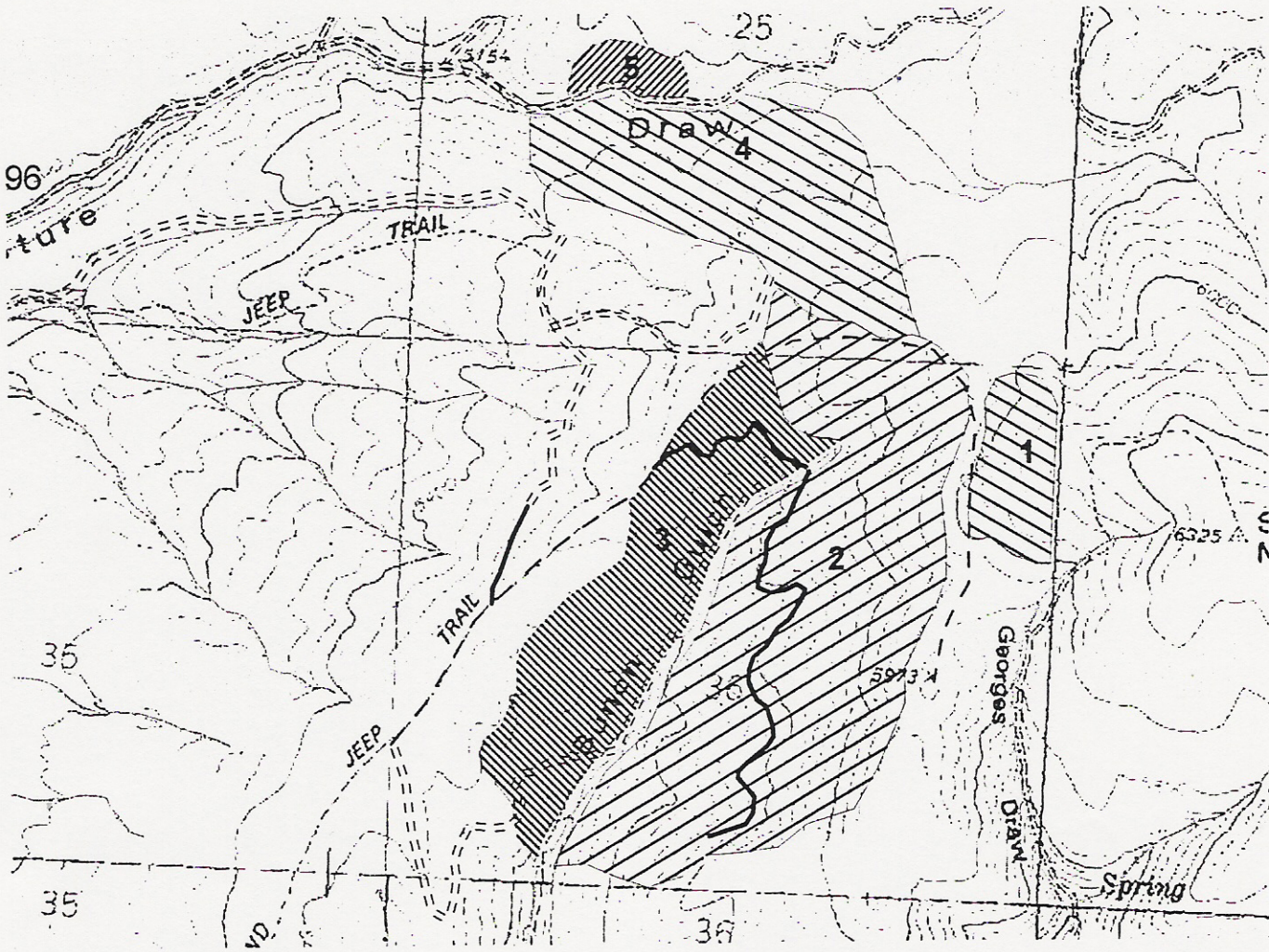
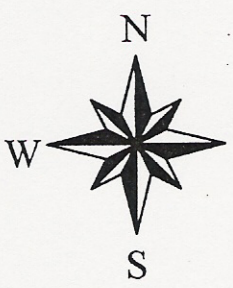
35
36
31
2
1
6

BUNCH GULCH TIMBER SALE ROADS
Section 25 & 36 T2N, R19W



BUNCH GULCH TIMBER SALE

Sections 25 & 36 T2N, R19W



New Road Const. = 1.2 miles
Existing RoadsExisting Sale Roads = 4.5 miles
Jeep Trail
Unit1 19 Acres
Unit2 = 171 Acres
Unit 3 = 77 Acres
Unit 4 = 76 Acres
Unit5 = 8 Acres