

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The North Fork Valley Creek Contract Harvest Timber Sale is located within Section 16, T17N-R21W, on the State's Plains Unit. Approximately 9,774 tons, consisting primarily of Douglas-fir, western larch, and ponderosa pine is offered for sale. **Bidders will bid on only the logs. Bidders may submit bids for one or more of the products on the bid sheet and award will be made to the highest total value combination of sorts.**

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **May 30, 2012 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 5% of the minimum bid 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 **21** 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 Northwest Land Office, in Kalispell (406-751-2257), or the Unit Office in Plains, MT (406-826-4725).

Visit our website at <http://dnrc.mt.gov/Trust/Timber/Bids.asp> for upcoming sales and bid results

/s/ Gary Frank, Acting Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: April 25, May 2, 9, 16, 2012

DELIVERED LOG PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: North Fork Valley Creek Delivered Logs			
Timber Sale Location: Section 16, T17N-R21W			
For specific sale information, contact:			
Phone	406-826-4725	Kyle Johnson	Plains Unit Office
Phone	406-542-4276	Sarah Lyngholm	Forest Management Bureau
For copies of the Log Purchase Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-751-2240	Northwestern	Land Office

General Bidding Information

1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids. Up to four (4) physical log sorts will be evaluated in the award of delivered logs to log purchasers.
3. The Dept 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, money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **Payment Security** to the Dept within a maximum of 15 days of notification of sale award. The security amount will be, at a minimum, 10% of the total bid value of the sale. The payment security may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. See the Log Purchase Contract for additional information.
6. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
7. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding. See Log Purchase Contract for additional information.
8. Bidders are encouraged to examine the complete Delivered Log Sale and Purchase Contract prior to bidding. Additional information is available at the phone numbers shown above.
9. **An optional tour of the sale area is planned for May 24, 2012. Meet at 10:00 a.m. at the junction of North Fork Valley Creek Road and MT 93 (mile marker 25) and proceed to the sale area with DNRC. Please contact Kyle Johnson at (406) 826-4725 if you plan on attending.**
10. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract are not guaranteed.
11. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

Additional Sale Information:

1. This delivered log sale is offered under DNRC's Contract Harvesting Authority. DNRC will contract with firms for the harvest and transportation of these forest products to delivery point(s) specified by the log purchaser.
2. Log bidders may submit bids for one or more of the Products on the Bid Sheet.
3. Award will be made separately for each Product listed on the Bid Sheet.
4. Log delivery will begin after July 1, 2012 and completed prior to October 31st, 2012.
5. Bidders must provide destination and log manufacturing specifications for each Sawlog Sort being bid on.
6. The successful bidder for each Product will be determined by highest total value. Highest total value for each Product will be determined by subtracting estimated haul cost from the delivered log bid price, multiplied by total volume of that Product.
7. The haul cost formula ($C = \$3.00/\text{ton} + 0.10 \times \text{highway miles}$) will be used to calculate the net delivered bid price, with mileage from 50 highway miles southeast of Plains, to the indicated destination of each Product.

The following chart shows the mileage to various mill sites:

<u>Company</u>	<u>Mill Site</u>	<u>Mileage</u>
Plum Creek	Columbia Falls	98
Pyramid	Seeley Lake	94
Stoltze	Columbia Falls	98
Sun Mountain	Deer Lodge	123
TRL	Thompson Falls	73
Tricon	St. Regis	62

Prospective bidders may provide a destination for logs delivered to a site other than listed in the above chart. Mileage will be calculated by DNRC for those destinations.

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

North Fork Valley Creek										
Delivered Log Sale Cruise Data										
SPECIES	PP	DF/WL							TOTAL or AVE	
Pounds per cubic foot	62	62								
Total estimated tons sawlogs (5.6" top DIB)	3,405	6,369							9,774 tons	
Estimated tons of other material (pulp, etc)									0 tons	
Gross MBF (Scribner 5.6" top DIB)	559	969							1,528 MBF	
% Cull and Breakage	7	6							6.1%	
Net MBF (5.6" top DIB)	520	915							1,435 MBF	
Average logs per MBF	17	21							22.0 logs/M	
Average DBH	14	14							13.2 in.	
Conversion Factor (tons / MBF)	6.55	6.96								
Average tons per acre harvested in leave-tree marked units									39 tons/ac	
Average tons per acre harvested in cut-tree-marked units									0 tons/ac	
Average MBF to cut per acre on the timber sale									6 MBF/ac	
Average cut trees per acre based on unit cruise									49	
Calculated Sampling Error: Total cruised volume will fall between			1,198 and 1,673 Net MBF in 9 out of 10 cruises						17%	
Tons Per Thousand Board Feet										
Contract Value - Estimated tons hauled per thousand Scribner board feet		9,774 estimated tons to a 5.6 inch top / 1,435 Net MBF Scribner to a 5.6 inch top DIB							6.81 tons/MBF	

Contract Information		
Contract ending date	11/15/2012	Log delivery scheduled after July 1, 2012 and prior to October 31, 2012
Contract length	5 months	

Purchaser fees and estimated costs	
Forest Improvement fee perMBF	\$25.13/MBF
Forest Improvement fee per ton	\$3.69/ton
Forest Improvement fee estimated total	\$36,067.64

Timber Sale Information Sheet
 Montana Department of Natural Resources and Conservation

North Fork Valley Creek										
VOLUME ESTIMATES BY SORT										
SPECIES										
	PP		DF/WL							TOTAL or AVE
TOP DIAMETER INSIDE BARK	Estimated Tons	Minimum Bid	Estimated Tons	Minimum Bid						
10" +	1680	\$35	2783	\$35						4,533 tons
5.6" - 10"	1725	\$30	3586	\$30						5,371 tons
< 6" (non-sawlog)										0 tons
Total Estimate Tons by Species	3,405		6,369							9,774 tons
Estimated Sawlog Conversion Factor	6.62		6.99							6.81 tons/MBF



