

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Small Lost Timber Sale is located within Section 4, T24N-R17W, on the State's Swan River State Forest. Approximately 1,384 tons of sawlogs, consisting primarily of western larch, white fir and cedar is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **September 19, 2008 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 **\$1,509.00**, representing 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 **15** 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 Northwestern Land Office in Kalispell (406-751-2240), or the Swan River State Forest Office in Swan Lake, MT (406-754-2301).

Visit our website at <http://www.dnrc.mt.gov> Online Services for upcoming sales and bid results

/s/ Shawn Thomas, Acting Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: August 21, 28, September 4, 11, 2008

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Small Lost			
Timber Sale Location: Section 4, T24N-R17W			
For specific sale information, contact: Karen Goode			
Phone	406-754-2301	Swan Unit Office	
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-751-2240	Northwestern Land Office	

General Bidding Information

1. Bids must be submitted on standard Department of Natural Resources & Conservation (Department) 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. The Department 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 **Performance Bond** to the Department within a maximum of **15** days of notification of sale award. The bond amount will be, at a minimum, 20% of the total 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. See the Timber Sale Contract for additional information.
6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
8. 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.
9. The Department 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 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 tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Department strongly recommends that bidders evaluate these effects before bidding.
10. The Department 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 the true market value. The Department strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above.
12. 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.
13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.
14. Other Products – The State is willing to consider the sale of Other Products as a part of this sale. The successful bidder should contact the Forest Officer for this sale or the Forest Management Bureau at (406-542-4209). Other products are defined as pulp, post & pole material, or other non-sawlog products.

TABLE 1: Summary of Sale Specifications			
Sale Data			
15	Net Sale Area (acres)	0	Miles of road construction
November 30, 2009	Contract ending date	0	Miles of road reconstruction
0	Cable logging required (% of volume)	0	Miles of road reclamation or abandonment
Operating Season: October 1, 2008 – September 30, 2009			
Charges and Appraised Costs			
\$1,509.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$ N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$ 5.09	Collected Forest Improvement Fee (\$ per ton) Concurrent with stumpage		
\$ N/A	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$ 2,703.00	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$ 0.50	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 1.57	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 0.00	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

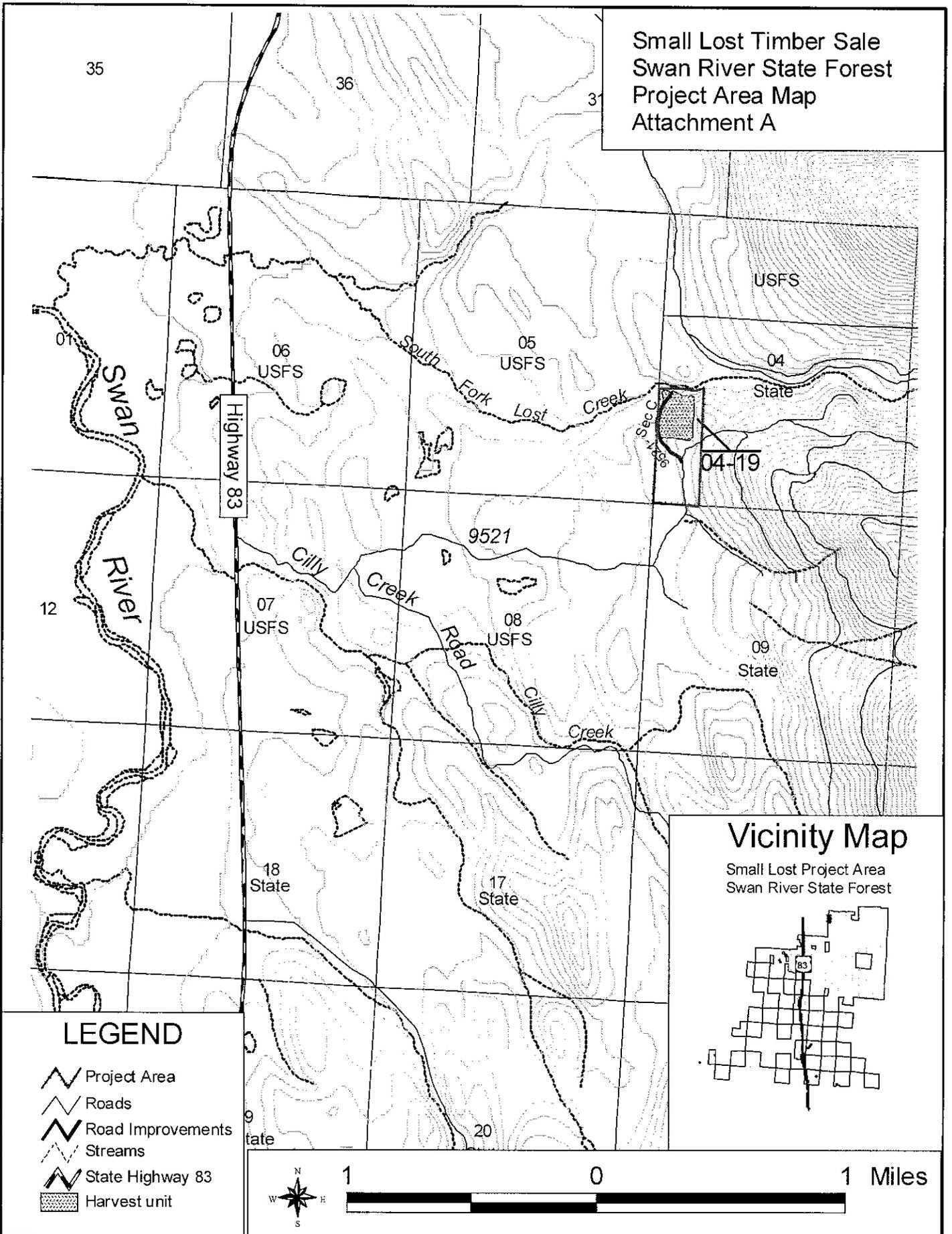
TABLE 2: Timber Cruise Data and Minimum Bids							
SPECIES	DF	WL	ES	GF	WRC	Dead/ Dry	TOTAL or AVE
Minimum Acceptable Bid							\$21.80/ton
Pounds per cubic foot	62	58	57	58	44	40	
Contract Tons	21	865	83	150	182	83	1,384
Gross MBF (Scribner 6" top DIB)	5	220	19	69	63	31	407
%Cull and Breakage	35	25	20	70	45	38	37
Net MBF	3	165	15	21	35	19	258
Average logs per MBF	4.6	6.5	4.2	78.4	10.5	24.8	13.8
Average DBH	21	18	21	12	18	14	16
Average tons per acre harvested							92
Average MBF cut per acre on the timber sale							17
Range of cut trees per acre based on unit cruise							
Calculated Sampling Error (net MBF): 30.7 %							
The total cruised volume will fall between 179 and 338 thousand net board feet in 9 out of 10 cruises							
Tons Per Thousand Board Feet:							
Timber character estimate – estimated tons Scribner per thousand Scribner board feet:							
5.27 tons per MBF = 1,359 estimated tons to a 5.6" top ÷ 258 net MBF Scribner - 5.6" top DIB.							
Contract value – estimated tons hauled per thousand Scribner board feet:							
5.36 tons per MBF = 1384 estimated tons to a 4.6" top ÷ 258 net MBF Scribner - 5.6" top DIB. This value is the timber sale contract conversion factor and will be used for calculating FI fees and for reporting DNRC harvest totals.							

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Tons	Estimated Net MBF	Removal Date
04-19	4	15	1384	258	Sept. 30, 2009

Additional Sale Information:

1. Purchaser will be required to machine pile logging slash.

Small Lost Timber Sale
 Swan River State Forest
 Project Area Map
 Attachment A

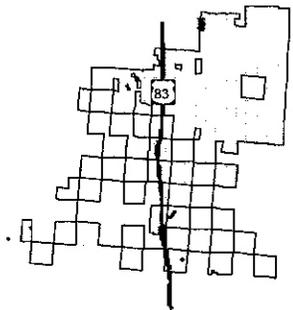


LEGEND

- Project Area
- Roads
- Road Improvements
- Streams
- State Highway 83
- Harvest unit

Vicinity Map

Small Lost Project Area
 Swan River State Forest

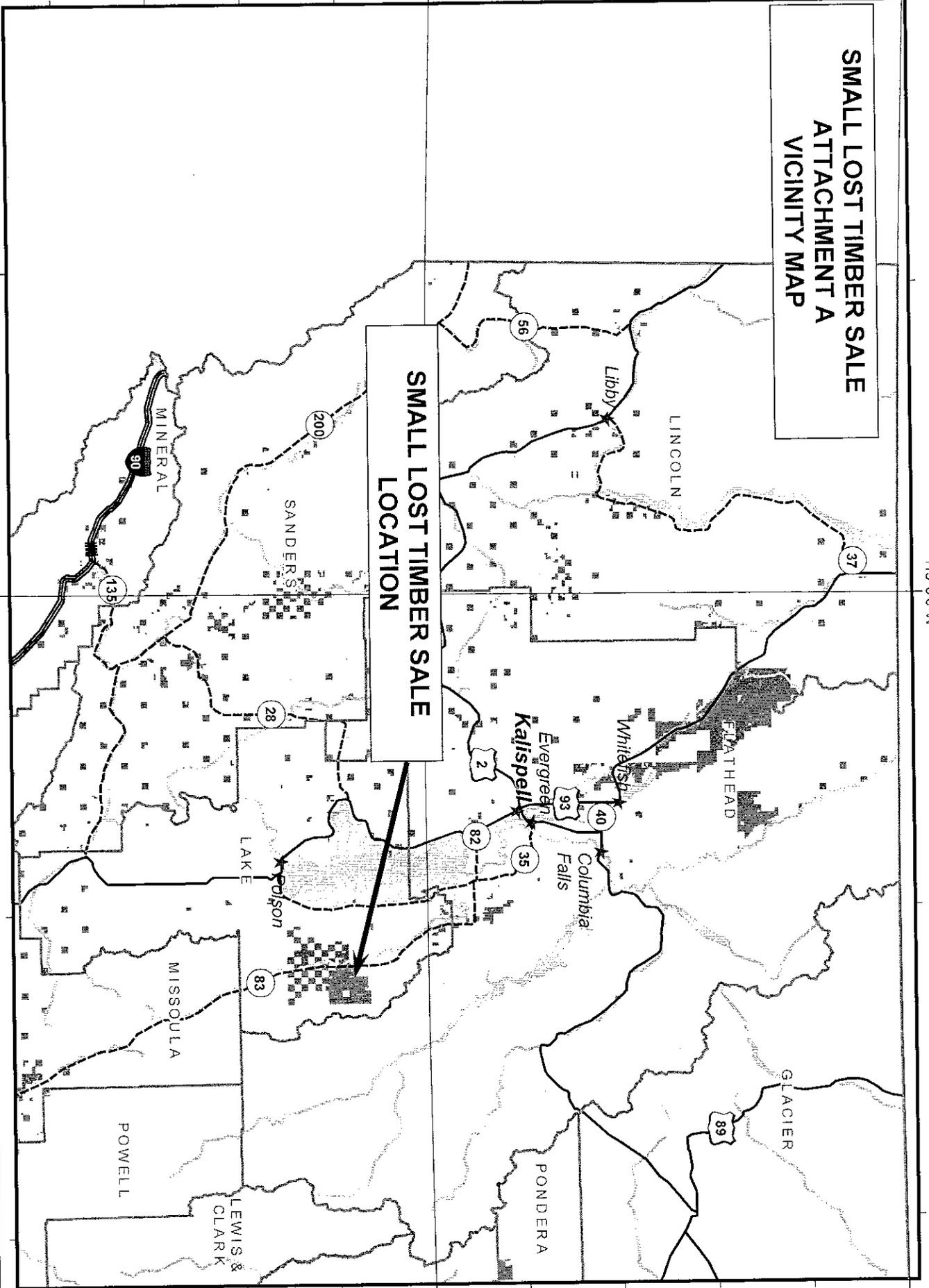


49°0'0"N

48°0'0"N

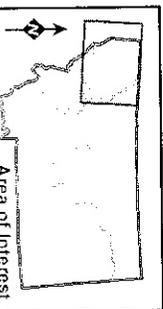
SMALL LOST TIMBER SALE ATTACHMENT A VICINITY MAP

SMALL LOST TIMBER SALE LOCATION



- Interstate Highway
- U.S. Route
- State Highway
- Rivers
- City
- County
- Lakes
- DNRC managed for timber
- DNRC other

21 February 2007
 Montana DNRC
 Technical Services Section/dt



115°0'0"W

49°0'0"N

48°0'0"N