

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Three Creeks #3 Timber Sale is located within Sections 10, 22, 25, & 27, T24N-R17W, on the State's Swan River State Forest. Approximately 34,114 tons of sawlogs, consisting primarily of Douglas-fir, 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 23 , 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 **\$28,566.00**, 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 45 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: Three Creeks #3			
Timber Sale Location: Sections 10, 22, 25, and 27 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 (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.
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 **Performance Bond** to the Dept within a maximum of 45 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 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 Dept 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 Dept strongly recommends that bidders evaluate these effects before bidding.
10. The Dept 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 Dept 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.

TABLE 1: Summary of Sale Specifications

Sale Data			
460	Net Sale Area (acres)	3.6	Miles of road construction
August 31, 2011	Contract ending date	4.5	Miles of road reconstruction
60%	Cable logging required (% of volume)	0.1	Miles of road reclamation or abandonment
Operating Season: Oct. 1, 2008-March 31, 2009; June 16, 2009 -March 31, 2010; November 16, 2010-March 31, 2011			
Charges and Appraised Costs			
\$28,566.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$ 0	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$ 4.82	Collected Forest Improvement Fee (\$ per ton)		
\$27,404.91	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$ 288,279	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$ 0.42	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 1.14	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 0	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	WP	Dead/ Dry	TOTAL or AVE
Minimum Acceptable Bid										\$16.75 /ton
Pounds per cubic foot	62	62	58	56	57	58	44	60	40	
Contract Tons	138	12,992	9,297	303	1,902	3,537	2,741	113	3,091	34,114
Gross MBF	32	2,916	2,464	55	408	1,431	1,055	23	1,236	9,620
%Cull and Breakage	15	35	25	25	20	58	45	23	36	38
Net MBF	28	1,895	1,848	42	326	495	580	18	795	6,027
Average logs per MBF	3.1	33.8	8.6	53.9	20.5	71.4	19	17.4	13.9	24.5
Average DBH	23	12.3	17.6	10.1	12.5	11.3	16	13.6	16.1	13.5
Average tons per acre harvested										74
Average MBF cut per acre on the timber sale										13
Range of cut trees per acre based on unit cruise										587
Calculated Sampling Error (net MBF): 7.3%										
The total cruised volume will fall between 5,587 and 6,466 thousand net board feet in 9 out of 10 cruises										
Tons Per Thousand Board Feet Conversion Factor =										
<u>Timber character estimate-estimated tons Scribner per thousand board feet (5.6" top):</u>										
5.46 tons per MBF = 32,905 estimated tons to a 5.6" top ÷ 6,027 net MBF Scribner (5.6" top DIB).										
<u>Contract value-estimated tons hauled per thousand Scribner board feet (4.6" top ground and cable units):</u>										
5.66 tons per MBF = 34,114 estimated tons to a 4.6" or 5.6" top ÷ 6,027 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 Net Tons	Estimated Net MBF	Removal Date
10-05	10	126	9056	1655	March 31, 2011
22-10B	22	54	3937	703	March 31, 2011
22-10C	22	50	3998	680	March 31, 2011
27-05	27	67	5357	912	March 31, 2011
27-11	27	64	4666	834	March 31, 2011
25-12	25	27	1968	352	March 31, 2011
25-13	25	47	3426	612	March 31, 2011
ROW	22, 25, 27	25	1706	279	November 15, 2009
Total		460	34,114	6,027	

Additional Sale Information:

1. A temporary bridge furnished by the State will be installed by the Purchaser over an existing bridge in Soup Creek Canyon.
2. Material other than sawlogs may be purchased if approved by the Forest Officer. Other products will be billed at a negotiated rate detailed in a contract modification.

49°0'0"N

115°0'0"W

49°0'0"N

48°0'0"N

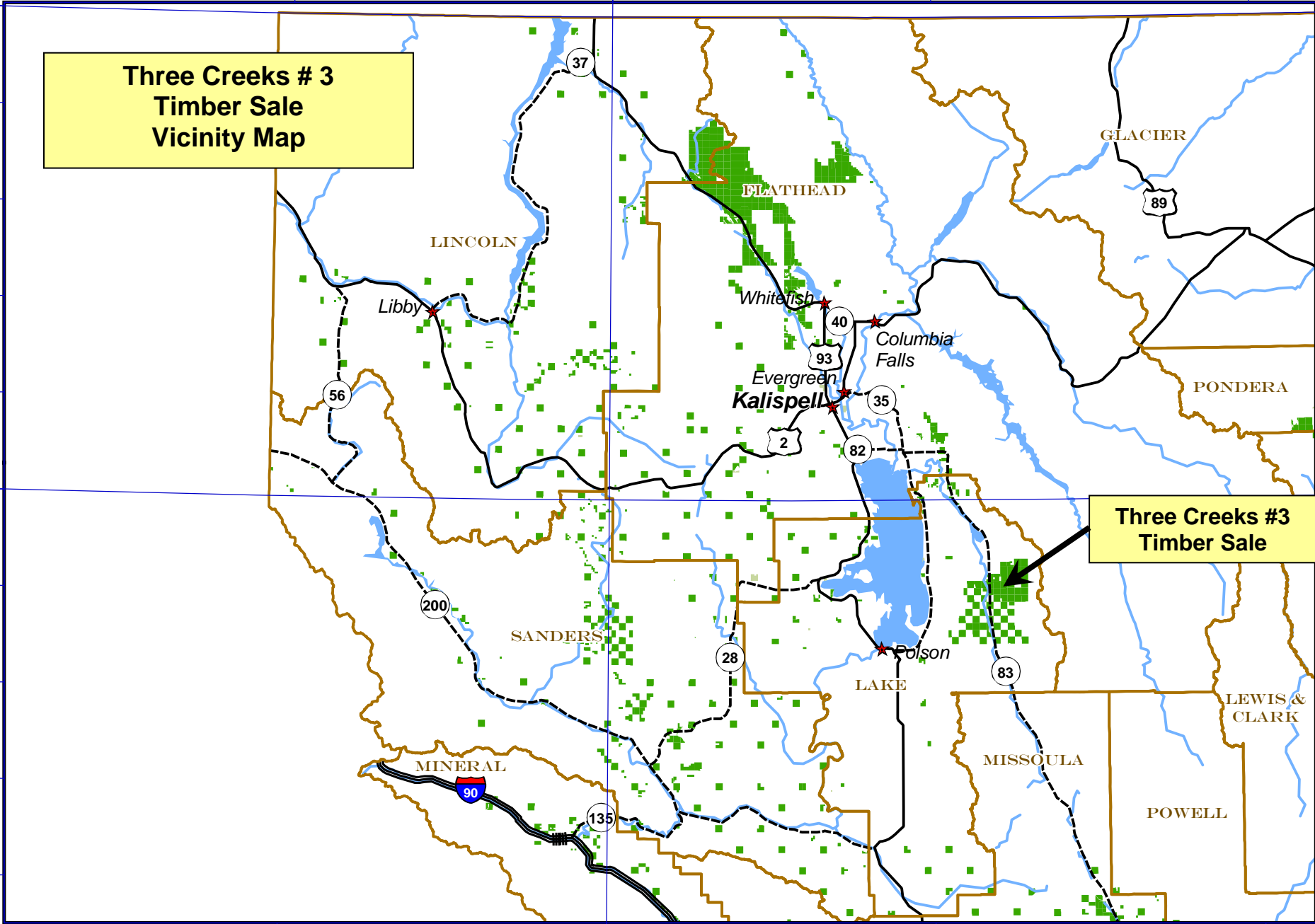
48°0'0"N

115°0'0"W



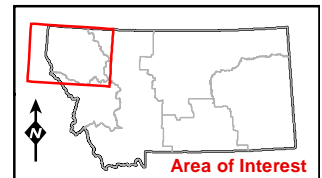
**Three Creeks # 3
Timber Sale
Vicinity Map**

**Three Creeks #3
Timber Sale**

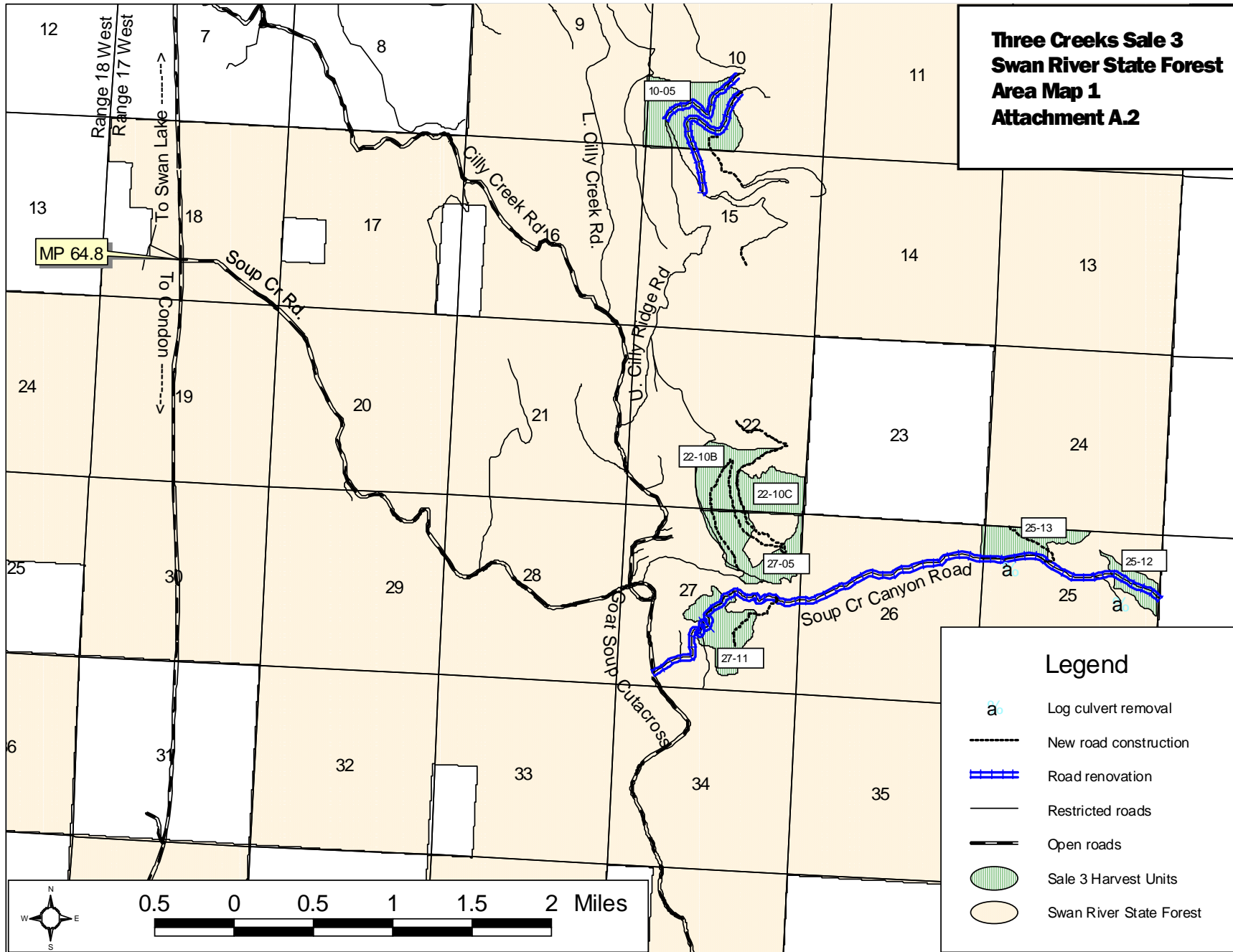


	Interstate Highway		Rivers		Lakes
	U.S. Route		City		DNRC managed for timber
	State Highway		County		DNRC other

21 February 2007
Montana DNRC
Technical Services Section/dr



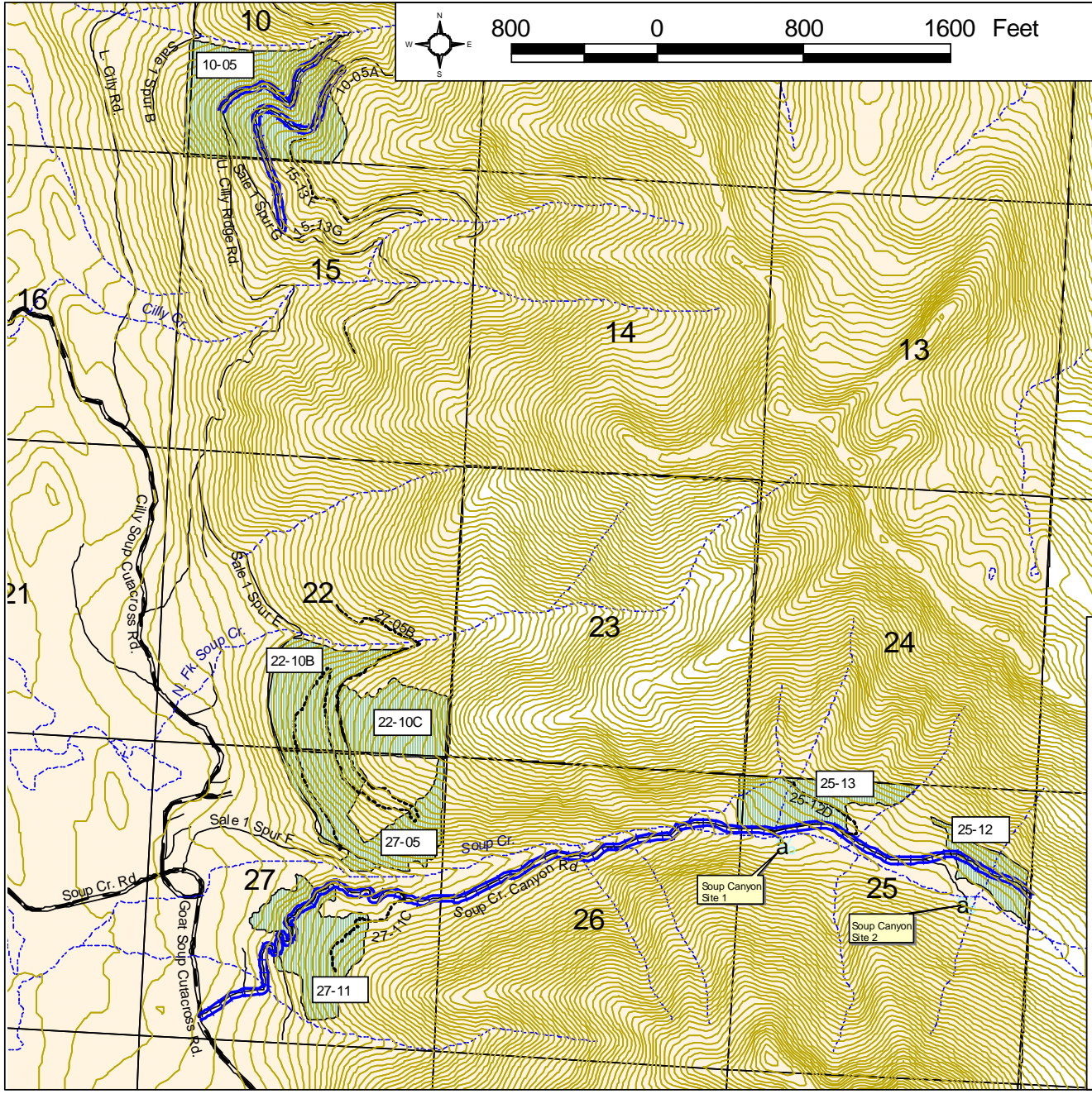
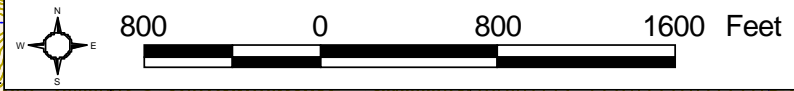
**Three Creeks Sale 3
Swan River State Forest
Area Map 1
Attachment A.2**



Legend

- Log culvert removal
- New road construction
- Road renovation
- Restricted roads
- Open roads
- Sale 3 Harvest Units
- Swan River State Forest

**Three Creeks Sale 2
Swan River State Forest
Area Map 2
Attachment A.3**



Legend

- a Log culvert removal
- New road construction
- Road renovation
- Restricted roads
- Open roads
- 40-foot contours
- Streams
- Sale 3 Harvest Units
- Swan River State Forest