NOTICE OF SALE

<u>Department of Natural Resources & Conservation Timber Sale</u>

The Dern Draw Timber Sale is located within Section 36, T29N-R23W on the State's Kalispell Unit. Approximately 19,890 tons, consisting of mixed conifer sawlogs, are offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **September 14**, **2023 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 \$27,076.00**, 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 first sale invoice 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. Award of the timber sale is conditional upon approval of the timber sale by the State Board of Land Commissioners at their August 21, 2023 meeting. 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).

Visit our website at http://dnrc.mt.gov/divisions/trust/forest-management/timber-sale-information for upcoming sales and bid results.

TIMBER SALE PROSPECTUS STATE OF MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Dern Draw

For specific sale information, contact: Kara Neal

Phone 406-751-2265 Kalispell 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 Department of Natural Resources & Conservation (State) bid forms.
- 2. Timber will be sold to the highest responsible bidder; however, the State reserves the right to reject any or all bids.
- 3. The State 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 Deposit** 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 State within 30 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 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 Timber 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 cover six weeks of harvesting and be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 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 otherwise 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 State has estimated the net scale merchantable sawlog volume to be sold 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 State 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 State strongly recommends that bidders evaluate these effects before bidding.
- 10. The State 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. <u>The State strongly recommends that bidders make their own</u> 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 Timber Sale Contract <u>are not guaranteed.</u>
- 13. <u>This prospectus is provided for information purposes only.</u> If the prospectus is in error or contradicts the Timber Sale Contract, the Contract governs.

Additional Sale Information:

Gate access code for the electronic gate on Dern Draw Road is 2266. Gate on Main Haul Road does not have a lock.

- 1. PURCHASER LEAVE TREE SELECTION
 - a) Single Tree Selection: Units 1 and 4

Select favored species for leave trees on a 30-40 foot spacing.

- Favor retention of western larch, ponderosa pine, and Douglas-fir.
- · Remove trees infected with dwarf mistletoe, insects, or stem/root rots. Dwarf mistletoe is the main concern.
- Retain a minimum of 2 snags per acre and 2 recruitment trees per acre that are >21 inches DBH.
- b) Single Tree Selection: Units 2 and 3

Select favored species for leave trees on a 25-35 foot spacing.

- Favor retention of western larch, ponderosa pine, and Douglas-fir.
- Remove trees infected with dwarf mistletoe, insects, or stem/root rots. Dwarf mistletoe is the main concern.
- Retain a minimum of 2 snags per acre and 2 recruitment trees per acre that are >21 inches DBH.
- c) Improvement Cut: Unit 5

Select favored species for leave trees on a <u>30-40 foot spacing</u> in Single Tree Selection areas and a <u>100-foot spacing</u> in Overstory Removal areas.

- Favor retention of western larch, ponderosa pine, and Douglas-fir.
- · Remove trees infected with dwarf mistletoe, insects, or stem/root rots. Dwarf mistletoe is the main concern.
- Retain a minimum of 2 snags per acre and 2 recruitment trees per acre that are >21 inches DBH.

2. RIPARIAN MANAGEMENT ZONE

In Units 1, 2, 3, and 5 an 80-foot Riparian Management Zone (RMZ) is in place around the Class 1 stream. The following cutting restrictions apply within the RMZ:

- Retain 50% or more overstory canopy cover in the outer 30 feet.
- Maintain all existing shrubs and non-merchantable trees in the outer 30 feet to fullest extent possible.
- No cutting is allowed in the inner 50-foot SMZ zone.
- 3. HIGH HAZARD SLASH CLEANUP All logging generated slash greater than 3" in diameter within 1 chain (66') from a private property line or the Dern Draw Road and Dern Spur roads will either be piled or removed.
- 4. SLASHING OF LOGGING-DAMAGED TREES REQUIRED: The Purchaser shall fell all sub-merchantable trees with logging-related root or stem damage. The stem shall be completely severed from the stump below the lowest live limb. Maximum stump height shall be 12 inches on the uphill side.
- 5. PROTECTION AND RETENTION OF SUB-MERCHANTABLE TREES: The Purchaser shall retain and protect trees not meeting the cutting specifications in Table 2 due to size or defect to the greatest extent practical. If damage is excessive as determined by the Forest Officer, operations may be suspended until suitable arrangements are made to reduce damage.
- 6. The Purchaser may be required to apply dust abatement on Dern Draw Road and Dern Draw Spur if determined necessary by the Forest Officer, as both roads have residential easements in place. Either water, magnesium chloride, or slow driving speeds may be used for dust abatement.

Timber Sale Information Sheet Montana Department of Natural Resources and Conservation

Dern Draw												
Timber Sale Cruise Data (Scribner 5.6" top DIB, Filter: All All Cut)												
SPECIES	PP	DF	WL	LP	ES	GF	RC	AF	WP	WH	Dead	TOTAL or AVE
Minimum Bid per ton												\$27.23
Pounds per cubic foot	62.0	60.0	55.0	56.0	57.0	60.0					40.0	
Estimated tons of sawlogs	139	10886	5298	82	3303	104					79	19,890 tons
Estimated tons of non-sawlog material	3	221	190	0	65	1					4	485 tons
Gross MBF	22	1775	973	15	606	29					63	3,482 MBF
% Cull and Breakage	11.3	11.9	12.4	5.0	8.2	41.3					73.8	12.7%
Net MBF	19	1563	853	14	556	17					17	3,039 MBF
Average logs per MBF	22.4	23.8	25.6	15.7	19.2	27.0					38.8	23.5 logs/MBF
Average DBH	10.5	11.3	10.1	14.0	11.8	15.2					9.3	11.0 in.
Average tons to cut per acre							42 tons/ac					
Average MBF to cut per acre						6.4 MBF/ac						
Total Average TPA Cut						102						
Calculated Sampling Error: Total cruised volume will fall between 2,633 and 3,444 Net MBF in 9 out of 10 cruises					13.3%							
Tons Per Thousand Board Feet												
Conversion Factor - Estimated tons hauled per thousand Scribner board feet 19,890 estimated tons / 3,039 Net MBF						6.55 tons/MBF						

Contract Information					
Contract Termination Date:	10/31/2026				
Operating Period:	Year round when soil conditions allow (Section VII.L.1&2)				

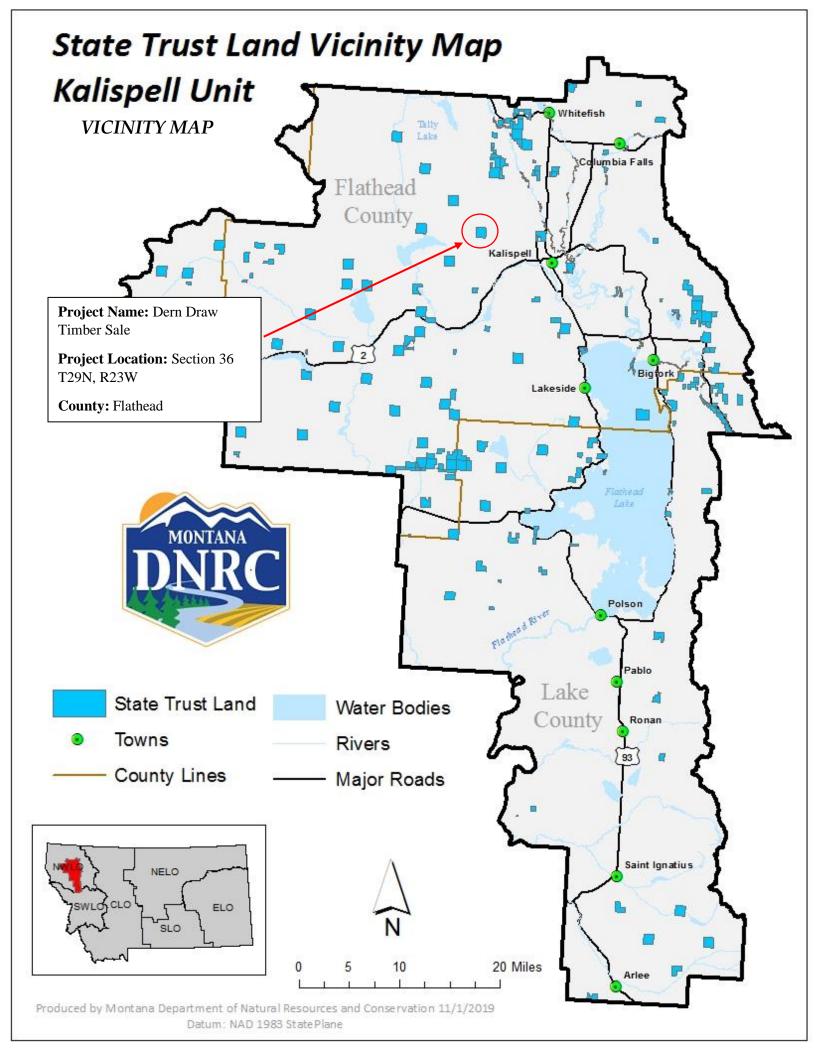
Timber Sale Information Sheet Montana Department of Natural Resources and Conservation

Logging Information					
% of volume logged by clearcut or seed tree cut	00%				
% of volume logged with tractors	100%				
% of volume logged by skyline	00%				
% of volume logged by other system (specify)	00%				
Yarding distance tractor (average)	550 ft.				
Yarding distance skyline (average)	0 ft.				
Yarding distance other system (specify)	0 ft.				
Estimated haul distance (paved)	10.0 miles				
Estimated haul distance (unpaved)	2.0 miles				

Purchaser fees and estimated costs					
Forest Improvement fee perMBF	\$26.60/MBF				
Forest Improvement fee per ton	\$4.06/ton				
Forest Improvement fee estimated total	\$80,753.40				
Forest Improvement fee quarterly installment	\$13,458.90				
Estimated Purchaser-do FI total \$	\$0				
Estimated Purchaser-do FI per ton	\$0.00/ton				
Estimated Purchaser-do slash disposal work total	\$0.00				
Estimated Purchaser-do slash disposal work per ton	\$0.00/ton				

Road development and maintenance fees and estimates				
Estimated road development cost total	\$11,521			
Estimated road development cost per ton	\$0.58/ton			
Estimated road development cost per MBF	\$3.79/MBF			
Estimated Purchaser-do road maintenance cost total	\$4,453			
Estimated Purchaser-do road maintenance cost per ton	\$0.22/ton			
Private road maintenance charges per ton	\$0.00/ton			
USFS road maintenance charges per ton	\$0.00/ton			
Miles of road construction	0.0 miles			
Miles of road reconstruction	0.0 miles			
Miles of road with site improvements	0.0 miles			
Miles of road reclamation or abandonment	0.0 miles			
Miles of road maintenance and blading	5.4 miles			

Unit harvest volume						
Unit#	Acres	Est Tons	Est MBF	Harvest Deadline		
Unit 1	70.85	2992	457	09/30/26		
Unit 2	64.12	2754	421	09/30/26		
Unit 3	92.45	5713	873	09/30/26		
Unit 4	12.22	822	126	09/30/26		
Unit 5	232.30	7610	1163	09/30/26		



Dern Draw Timber Sale S. 36 T29N R23W



