REQUEST FOR BIDS

by

School of Forest Resources and Environmental Science, Michigan Technological University

for timber owned by

Michigan Technological University

LOCATION

Portion of the N ½ of the SE ¼ & SW ¼, SE ¼, Section 9, T50N R35W, Houghton County, Michigan.

SALE DATE AND TIME

Bids must be received at the Ford Forestry Center Office, School of Forest Resources and Environmental Sciences, Michigan Technological University no later than 3:00 p.m. EDST, November 3, 2003.
The bids will be opened at the Ford Forestry Center Office at 3:00 p.m. EDST, November 3, 2003.

CUTTING PERIOD

Harvesting operations shall be completed by: April 1, 2004. All harvesting will be coordinated through the Ford Forestry Center, School of Forest Resources and Environmental Sciences, including starting and ending dates, which are weather-dependent.

TYPE OF SALE

This is a scaled sale with payment made for each unit of stumpage removed.

CUTTING SPECIFICATIONS

All marked trees with orange paint are to be cut within the designated cutting areas as shown on the timber sale map. The designated clearcut areas are also shown on the timber sale map. Trees in the clearcut areas that are marked with green paint are designated leave trees (not to be cut). Harvest area is contained within approximately 120 acres.

TIMBER DATA

Sawtimber Volume (approximate): 33.4 mbf;
Sawtimber Species include: Soft maple, White birch, Basswood, Hard maple, Black Ash, Yellow birch, White ash

Hardwood Pulpwood Volume (approximate): 790 cords
Softwood Pulpwood Volume (approximate): 121 cords
Aspen Pulpwood Volume (approximate): 923 cords

GENERAL

Notice is hereby given that bids will be received by the Ford Forestry Center, School of Forest Resources and Environmental Science, Michigan Technological University for timber situated on the above described lands. A timber sale contract for this timber sale will be awarded to the responsible bidder offering the highest sealed bid price. The bidder must use the bid form provided. Unsealed envelopes or incomplete bid forms will be rejected.

SCALING AND GRADING

Grading and scaling of sawlogs shall be in accordance with the Timber Producers Association of Michigan and Wisconsin, Inc. Official Grading Rules for Northern Hardwood and Softwood Logs and Tie Cuts, as amended from time to time. Any hardwood tree

...
containing a grade 2 or better sawlog at least eight (8) feet in length plus trim with a minimum diameter inside bark at the small end of ten (10) inches shall be considered a merchantable sawtimber tree. Any tree not ordinarily capable of producing sawlogs, but customarily used for pulpwood shall also be considered merchantable timber, providing markets are available, such trees are designated for harvesting, and harvesting said trees is economically feasible. Full utilization of marked trees including tops where applicable is required. Sawlog volumes are in board feet Scribner.

MERCHANTABLE LOGS

Any hardwood log which conforms to the specifications for grade 2 sawlogs or better, and any softwood log which conforms to the specifications for grade 3 sawlogs or better shall be considered a merchantable sawlog and will be sold at the bid price offered by the successful bidder. Any logs which do not meet the above specifications will be considered grade 3 hardwood logs, or pulpwood, and will be sold at the bid price per thousand board feet or cord offered by the successful bidder. The Buyer may cut and utilize cull logs of 50% or less soundness, but logs so removed shall be paid for in accordance with pulpwood rates as agreed to and set forth in the bid form.

VENEER & SPECIALTY PRODUCTS

All veneer, curl, and birdseye logs will be marketed by MTU from a location to be determined by MTU and the successful bidder prior to contract signing. The contractor will receive 12% of the market price of these products.

BONDING REQUIREMENTS

A cash or surety bond, or irrevocable letter of credit, equal to $10,000 (ten thousand dollars) or fifty (50) percent of the total bid value, whichever is greater, must be posted with the Ford Forestry Center, School of Forest Resources and Environmental Sciences, Seller’s Agent prior to commencement of harvesting operations to ensure a faithful performance. The bond will be returned in a timely manner upon satisfactory completion of the sale.

PAYMENT SCHEDULE

Payments: The Buyer agrees to make payments on weekly or bi-weekly intervals in the following manner as the timber is harvested and scaled: Scale tickets for harvested products must be submitted to the Ford Forestry Center, School of Forest Resources and Environmental Science, accordingly. Payment shall be made with the first submission of scale tickets after receipt of the invoice. Payment must be remitted promptly when due, failure to remit payment when due may result in suspension of logging operations, and default in payment beyond thirty (30) days may bear an interest charge of five (5) percent per month from the due date.

INSPECTION

Timber volumes on the bid form are based on a tally of trees marked, standard tables or procedures were used to determine sawtimber and cordwood volumes. These volumes cannot be guaranteed. Prospective bidders are urged to examine this timber and make their own estimates of quality and quantity. The timber can be inspected at any time prior to the sale.

WORKER’S COMPENSATION

All prospective bidders must comply with the requirements of the Worker’s Compensation Act to be eligible to bid. Failure to complete the verification of worker’s compensation insurance form will result in the rejection of the bid.

TIMBER SALE CONTRACT

Additional requirements and conditions common to all timber sales are listed in the Timber Sale Contract. A copy of the Request for Bids form shall be attached to and constitute a part of the Timber Sale Contract. A contract is available from the Seller upon request.

BID FORM INSTRUCTIONS

Write in your bid price for each species in the space provided. The total bid value must meet or exceed any minimum bid value set by the Seller. This total will be used to select the apparent high bidder(s). The apparent high bid(s) will be verified by computing the total bid value using the values on the bid form and said bid form checked for completeness. Verification total(s) will be used in determining the high bidder. All incomplete, inaccurate, or spurious bids will be rejected. Michigan Technological University reserves the right to reject any or all bids.

Please complete the Supplementary Questionnaire at the back of the bid form packet

For Seller

James M. Schmierer, Jr., School Forester
Ford Forestry Center
School of Forest Resources and Environmental Science, Michigan Technological University
Seller’s Agent
In response to the notice of sale, I am hereby submitting my bid for the following forest products to be cut:

<table>
<thead>
<tr>
<th>Species</th>
<th>Product</th>
<th>Bid Price</th>
<th>Est. Volume</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard Maple</td>
<td>Veneer</td>
<td>N/A</td>
<td>0.0 mbf</td>
<td>$ N/A</td>
</tr>
<tr>
<td></td>
<td>Grade 1 Sawlogs</td>
<td>___/mbf</td>
<td>0.4 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 2 Sawlogs</td>
<td>___/mbf</td>
<td>1.1 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 3 Sawlogs</td>
<td>___/mbf</td>
<td>2.5 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>___/mbf</td>
<td>4.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Yellow Birch</td>
<td>Veneer</td>
<td>N/A</td>
<td>0.0 mbf</td>
<td>$ N/A</td>
</tr>
<tr>
<td></td>
<td>Grade 1 Sawlogs</td>
<td>___/mbf</td>
<td>0.4 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 2 Sawlogs</td>
<td>___/mbf</td>
<td>1.5 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 3 Sawlogs</td>
<td>___/mbf</td>
<td>2.1 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>___/mbf</td>
<td>4.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Soft Maple</td>
<td>Veneer</td>
<td>N/A</td>
<td>0.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 1 Sawlogs</td>
<td>___/mbf</td>
<td>0.1 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 2 Sawlogs</td>
<td>___/mbf</td>
<td>4.3 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 3 Sawlogs</td>
<td>___/mbf</td>
<td>9.6 mbf</td>
<td>$</td>
</tr>
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<td></td>
<td>Subtotal</td>
<td>___/mbf</td>
<td>14.0 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Black Ash</td>
<td>Veneer</td>
<td>N/A</td>
<td>0.0 mbf</td>
<td>$ N/A</td>
</tr>
<tr>
<td></td>
<td>Grade 1 Sawlogs</td>
<td>___/mbf</td>
<td>1.4 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 2 Sawlogs</td>
<td>___/mbf</td>
<td>3.1 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Grade 3 Sawlogs</td>
<td>___/mbf</td>
<td>3.4 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>___/mbf</td>
<td>7.9 mbf</td>
<td>$</td>
</tr>
<tr>
<td>White Birch</td>
<td>Veneer</td>
<td>N/A</td>
<td>0.0 mbf</td>
<td>$ N/A</td>
</tr>
<tr>
<td></td>
<td>Grade 1 Sawlogs</td>
<td>___/mbf</td>
<td>.6 mbf</td>
<td>$</td>
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<tr>
<td></td>
<td>Grade 2 Sawlogs</td>
<td>___/mbf</td>
<td>1.1 mbf</td>
<td>$</td>
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<td></td>
<td>Grade 3 Sawlogs</td>
<td>___/mbf</td>
<td>.8 mbf</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>___/mbf</td>
<td>2.5 mbf</td>
<td>$</td>
</tr>
<tr>
<td>Category</td>
<td>Unit</td>
<td>Quantity</td>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>------</td>
<td>----------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>Other Veneer (White Ash, Basswood)</td>
<td>/mbf</td>
<td>0.0 mbf</td>
<td>$ N/A</td>
<td></td>
</tr>
<tr>
<td>Grade 1 Sawlogs</td>
<td>/mbf</td>
<td>.4 mbf</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Grade 2 Sawlogs</td>
<td>/mbf</td>
<td>.4 mbf</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Grade 3 Sawlogs</td>
<td>/mbf</td>
<td>.2 mbf</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1.0 mbf</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed Hardwood Pulpwood</td>
<td>/cord</td>
<td>790 cords</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Softwood Pulpwood</td>
<td>/cord</td>
<td>121 cords</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Aspen Pulpwood</td>
<td>/cord</td>
<td>923 cords</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1834 cords</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please check all calculations for accuracy.

Total Bid Value $     

I understand that any or all bids may be rejected by the Seller. I also understand that consideration in awarding a Contract will be based on my past performance and ability to complete the Contract based upon equipment and manpower subject to my control.
VERIFICATION OF COMPLIANCE WITH WORKER’S COMPENSATION ACT

This verification of compliance with the Worker’s Compensation Act must be completed, as failure to do so will result in the rejection of the bid.

Name of Business: ________________________________________________________________________________

Address: ________________________________________________________________________________________

City/State/Zip Code: ________________________________________________________________________________

Federal ID or Social Security No.: ____________________________________________________________________

Phone:__________________________ Fax: ___________________________  Email: __________________________

I agree to maintain a minimum Worker’s Compensation for the period of logging operations on the Seller’s property in the amount of:

Workers’ Disability Compensation Insurance as required by the Michigan Workers’ Compensation Act, as amended, including coverage B-employer liability coverage for all employees. All subcontractors of the Buyer shall also maintain all insurance coverage required hereby and the Buyer shall provide the required proof of coverage to the Seller for all subcontractors.

I agree to instruct my insurance carrier to furnish an original certificate of insurance of current coverage under the Worker’s Compensation Disability Compensation Act to the Ford Forestry Center, School of Forestry Resources and Environmental Sciences, Michigan Technological University, Route 2, Box 736, L’Anse, MI 49946 prior to the commencement of logging operations. I further agree to instruct my insurance carrier to state on the certificate of insurance of current coverage that the insurance carrier will provide advance 30-day notification of cancellation of the Worker’s Compensation Policy.

I understand that this requirement applies even though my business may not be subject to the Worker’s Compensation Act and that a contract for the timber sale cannot be granted or executed without complying with this requirement

_______________________________________________  _______________________________  ______________
Bidder               Title    Date
SUPPLEMENTARY QUESTIONNAIRE

Please complete before submitting the bid form. Please provide information that is accurate as possible at this time. Thank you very much for your honesty and cooperation.

Date expected to begin logging operations on the sale premises:__________________________________

Date expected to complete logging operations on the sale premises:_______________________________

The following information is intended to help the landowner with financial planning and planned land use activities on the sale parcel.

Type of logging operation that will be used in harvesting the timber on this sale:
(Please mark the appropriate blank and/or describe your operation)

_____ Rubber-tired Skidder  _____ Shortwood Skidding

_____ Forwarder     _____ Longwood Skidding

_____ Tracked Processor     _____ Manual Felling

_____ Slasher     _____ Cut-to-Length System

_____ Chipper     Other, please describe: ________________________________________________

____________________________________________________________________________________

List the probable buyers for the timber and/or forest products on this sale:

Veneer: ________________________________________________________________

Sawlogs: ______________________________________________________________

Pulpwood: ____________________________________________________________

Other: _______________________________________________________________

List landowners from whom you have purchased timber in the last 5 years:

____________________________________________________________________________________

name                        address                        phone

____________________________________________________________________________________

name                        address                        phone

____________________________________________________________________________________

name                        address                        phone