

Washington State Department of Natural Resources (DNR)

Bidder's/Purchaser's Inspection of Sale Area and Forest Products

Acreage estimates and volume estimates contained within each timber notice of sale and each timber sale contract are made only for administrative and identification purposes. Except as expressly provided by the timber sale contract, the purchaser shall be responsible for paying the entire purchase price, even if the actual acreage or timber volume varies from the estimated quantity or volume shown.

All prospective bidders have the opportunity and are expected to inspect the sale area and the forest products located thereon. Bidders shall not rely on any representations by the State including, but not limited to, acreage estimates, volume estimates, appraisal or pre-bid documentation. The successful bidder/purchaser will further warrant that they have entered the timber sale contract without any reliance upon the DNR's volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representation by the DNR.

Any timber sale contract arising out of these public auctions will require the successful purchaser to warrant that they are entering the timber sale contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold.

Exclusion and Disclaimer of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, and ALL OTHER WARRANTIES EXPRESS OR IMPLIED, ARE EXCLUDED from this transaction, and shall not apply to the goods sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. ***The merchantability of the forest products.*** The use of the term “merchantable” in any document is not intended to vary the foregoing.
- b. ***The condition of the forest products.*** All forest products will be conveyed “AS IS.”
- c. ***The acreage contained within any sale area.*** Any acreage descriptions appearing in the timber notices of sale, timber sale contract, timber sale map or other documents are estimates only, provided solely for administrative and identification purposes.
- d. ***The volume, quality, or grade of the forest products.*** The descriptions of the forest products to be conveyed are estimates only, made solely for administrative and identification purposes.
- e. ***The correctness of any soil or surface conditions, presale construction appraisals, investigations, and all other pre-bid documents prepared by or for the State.*** These documents have been prepared for the State's appraisal purposes only.
- f. ***That the sale area is free from threatened or endangered species, or their habitat.*** The State is not responsible for any interference with forestry operations that result from the presence of any threatened or endangered species, or the presence of their habitat, within the sale area.
- g. ***That the forestry operations to be performed under this contract will be free from regulatory actions by governmental agencies.*** The State is not responsible for actions to enforce regulatory laws, such as the Washington Forest Practices Act (Chapter 76.09 RCW), taken by the Department of Natural Resources or any other agency that may affect the operability of these timber sales.
- h. Items contained in any other documents prepared for or by the State.

Please also see timber sale contract clause G-060 for further information.

BIDDING PROCEDURES FOR TIMBER AUCTIONS

The general requirements that follow are a part of all Timber Notices of Sale to be auctioned by the Department of Natural Resources (DNR).

General Information

The State reserves the right to waive minor irregularities and the right to reject any or all bids.

A. This book contains the timber notices of sale and maps for each timber sale scheduled to be auctioned. More specific information can be obtained by contacting the appropriate region office at the number listed on the back cover of this book.

B. The timber notice of sale is a summary of sale information. For more specific information, interested parties are encouraged to view the Appraisal Packets on the DNR Internet Site @ www.dnr.wa.gov, this will take you directly to the Product Sales Section. The Appraisal Packets contain **DRAFT** copies of the timber notice of sale, map, contract, road plan, cruise data, precruise and cruise narrative, Forest Practices Application (FPA), Hydraulics Project Approval (HPA).

C. The sale preview packets may be obtained at no charge for individual sales by visiting the appropriate region office.

D. Timber sale contracts contain extensive terms and conditions that will be binding upon successful high bidders. Each bidder should carefully review all terms contained in the appropriate **DRAFT** timber sale contract prior to bidding on a sale, and should review the final contract prior to signing. **DRAFT** timber sale contracts are contained in the preview and presales packets and are available upon request at the respective region office.

E. Sales advertised in this book have not been approved by the Board of Natural Resources and are subject to the Board's approval before they will be sold. The Board meets and approves sales approximately six weeks prior to auction. All sales are subject to confirmation by the DNR under RCW 79.15.120.

F. The State does not guarantee the accuracy of any information contained herein pertaining to particular sales. Therefore, all prospective purchasers are expected to make their own independent inspections and appraisals prior to bidding.

G. If any conflict exists between the information in the Timber Notice of Sale, timber sale map, sale preview packets and that in the timber sale contract, the signed contract will prevail.

H. Timber sales are subject to the Washington State Forest Excise Tax (RCW Chapter 84.33).

I. Within 30 days of sale confirmation, the apparent high bidder will provide to the State the Performance Security specified on each Notice of Sale.

J. Each DNR region office has information about sales offered in that region. For further information, contact the respective DNR region office. Region office addresses and telephone numbers appear on the back cover of this booklet.

K. The purchaser assumes the responsibility for any costs associated with extra maintenance or repair levied by a county for any county road used by the purchaser.

BIDDING PROCEDURES FOR TIMBER AUCTIONS (Continued)

Bidding Process

- A. All timber will be auctioned using the sealed bid method.
- B. Bids submitted on day of auction must be in the bid box at the specified auction location before 10:00 a.m. The respective DNR region office must receive mailed bids by 4:30 p.m., on the last business day before the auction. Bidders assume all risk for the method of delivery.
- C. The DNR has the right to reject bids that are completed incorrectly. *All bid forms must have an original signature on behalf of the person or entity submitting the bid, and must be on the form provided in this booklet or a photocopy thereof. Revised documents are not permissible.* Bidding instructions are on the back of the Sealed Bid Form. A bid deposit must be included in the sealed bid envelope unless using a Timber Sale Statewide Bid Bond.
- D. All bids must include the completed Sealed Bid Form and bid deposit.
- E. Bids will be opened in each respective region in the order in which sales appear in the Public Auction Sale of Timber book (alphabetically by county and by agreement number).
- F. If a tie bid occurs, the names of the tie bidders will be placed in a hat and the successful bidder will be determined by a drawing.
- G. For sales offered on a stumpage basis, the apparent high bidder on a particular sale will have the option of withdrawing additional sealed bids submitted for any remaining sales to be auctioned. The apparent high bidder must exercise this option within two minutes after the apparent high bidder is announced. This option is not available for sales offered on a delivered basis.

Auction Time and Location

Auctions will start at 10:00 a.m. and close at 4:00 p.m. on the date and at the location specified in each Timber Notice of Sale.

Bid Deposits

- A. Required bid deposits are listed on each Timber Notice of Sale.
- B. Bid deposits must be in the form of cash, certified check, cashiers' check, money order or bid bond.
- C. Bid bonds may be either a Timber Sale Statewide Bid Bond or a Timber Sale Per Sale Bid Bond.
- D. All bid deposits shall be submitted by the person or entity submitting the bid and made payable to the Department of Natural Resources. **Third party deposits will not be accepted.**

Timber Sale Per Sale Bid Bonds

- A. The Per Sale Bid Bond shall guarantee payment of the bid deposit **within ten days of auction.**
- B. The balance between the bid bond and the Initial Deposit payment is due by 4:30 p.m., **on the day of auction.**
- C. Additional forms and instructions for a Per sale Bid Bond are available at any DNR region office.

Timber Sale Statewide Bid Bond

- A. Statewide Bid Bonds shall guarantee payment of the Initial Deposit on any statewide timber sale while the bond is in effect.
- B. The Statewide Bid Bond must be received by the Department of Natural Resources, Product Sales & Leasing Division, PO BOX 47016, Olympia, Washington 98504-7016, ten days in advance of the auction date. The bond shall be in the amount of \$150,000.00.
- C. The bidder must supply a list of persons authorized to bid using the bond. Bid bonds are subject to approval by the Department of Natural Resources.
- D. Successful bidders using a Statewide Bid Bond must pay the total Initial Deposit payment (10 percent of the total bid price) **by 4:30 p.m. on the day of auction.**
- E. A Statewide Bid Bond cannot be used to secure the Initial Deposit payment due the day of auction.
- F. Additional forms and instructions for a statewide bid bond are available at any DNR region office.

Payments

The initial deposit for a sale is 10% of the total bid value as submitted by the apparent high bidder (25% if the bidder is a defaulter as defined under WAC 332-140-300) and never less than \$5,000.00 for lump sum sales. For Lump Sum sales appraised at less than \$5,000.00, the entire bid value is due on day of auction.

- a. Apparent high bidders using cash, certified check, cashier's check or money order as a bid deposit must pay the total Initial Deposit amount by 4:30 p.m. on auction day.
- b. Apparent high bidders using a Timber Sale Per Sale Bid Bond as a bid deposit must pay the difference between the bid deposit and the total initial deposit by 4:30 p.m., on the day of auction. The bid bond amount must be replaced with a certified check, cashier's check, bank draft, cash, money order, or wire transfer within ten days of the auction.
- c. Apparent high bidders using a Timber Sale Statewide Bid Bond must pay the entire Initial Deposit amount by 4:30 p.m. on the day of auction.

Fees due on the day of sale must be paid by 4:30 p.m.

All payments must be in the form of a certified check, cashier's check, bank draft, cash, money order or wire transfer.

Eligibility to Bid

In order to bid on State timber sales you must be:

- 18 years of age (or have a co-signer who meets the eligibility requirements),
- Licensed to do business in the State of Washington,
- Eligible to bid on Export Restricted timber, and
- Capable of meeting all contract obligations.

Authorized Representatives

Companies may only use authorized representatives or company officers to bid on State sales, sign State documents or sign checks. A list of authorized representatives and their specific authorities must be submitted in writing to the Department of Natural Resources Product

Sales & Leasing Division, PO BOX 47016, Olympia, Washington, 98504-7016, ten days in advance of the auction. A company owner or officer must sign this submittal.

State of Washington
Department of Natural Resources
Peter Goldmark, Commissioner of Public Lands

SEALED BID FORM

Sale Name _____ Agreement Number _____

_____ hereby submits the following bid for timber.
(Print full, legal company name)

(Street address, City, State, Zip Code)

(Phone Number)

Lump Sum Bid (Not Including Fees) \$ _____ **For Total Sale**

Weight Scale Sale Bid (Not Including Fees) \$ _____ / **Ton**

Scribner Scale Sale Bid (Not Including Fees) \$ _____ / **MBF**

BID DEPOSIT

Bid Deposit Amount: \$ _____

Bid Deposit Type:

- Cash, certified check, cashiers check, or money order
 Per Sale Bid Bond
 Statewide Bid Bond, Number _____
-
-

Within 30 days of confirmation date the successful bidder agrees to furnish Performance Security acceptable to the State in the amount specified on the Notice of Sale. Performance Security must guarantee performance of all provisions of the contract and payment of any damages caused by operations under the contract or resulting from the successful bidder's noncompliance with any rule or law.

Bidder's Warranty and Bid Signature

By signing and submitting this bid as an offer to purchaser forest products from the State, the Bidder hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Bidder further warrants to the State that they enter this bid based upon their own judgments of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Bidder also warrants to the State that they enter this bid without any reliance upon the volume estimates, acreage, appraisals, pre-bid documentation, or any other representation by the Washington State Department of Natural Resources.

(Signature of Authorized Representative submitting this bid) Date _____

(Print **name and title** of Authorized Representative submitting this bid)

Note: all sales are subject to confirmation by the Commissioner of Public Lands (Refer to RCW 79.15.120)

Instructions For Completing Sealed Bid Form

All bids submitted for the purchase of forest products being sold by the Washington State Department of Natural Resources must have an original signature on behalf of the person or entity submitting the bid, and must be on the form provided in this booklet or a photocopy thereof. The DNR will not accept bids that are not signed, and will not accept bids that are not on the current, approved bid form. All appropriate blanks on bid form must be completed including the bid bond number if the bidder is relying upon a bid bond for bid deposit.

For more specific information, contact the appropriate region office.

In-Person Bids

- A. Sealed bids must be in auction box before 10:00 a.m. on the day of auction at the location specified in the Timber Notice of Sale.
 - B. Sealed bids must be submitted in an envelope with the name of the sale, the bidder's name and the contract number clearly written on the outside of the envelope. The full legal name and business address of the bidder must be inserted where indicated on the form, and must be on the bid bond and timber sale contract. The bid form must be signed by an authorized representative. When a bidder has more than one person authorized to bid, documentation of those persons with signature authority for bidding must accompany the bid or be on file at the region office. Sealed bid envelopes are available at all region offices. One bid per envelope.
 - C. Sealed bid envelopes **must** contain a completed bid form and a bid deposit.
 - D. Sealed bid envelopes **may** contain a check for the Initial Deposit amount and a check for fees.
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Mailed Bids

- A. Bids that are mailed are required to have printed on the outside: "DO NOT OPEN UNTIL SALE DATE. SEALED BID ENCLOSED". The sealed bid envelope(s) will be enclosed inside the mailed-in envelope. Mailed bids must be submitted in an envelope with the name of the sale, the bidder's name and the agreement number clearly written on the outside of the envelope. The full legal name and business address of the bidder must be inserted where indicated on the form, and must be the same on the bid bond and timber sale contract. The Sealed Bid Form must be signed by an authorized representative. When a bidder has more than one person authorized to bid, then documentation of those persons with signature authority for bidding must accompany the bid or be on file at the region office. Mail-in envelopes are available at all region offices. One bid per mailed-in envelope.
 - B. Bids that are mailed will be accepted up to 4:30 p.m. the last business day before the auction by the region office in which the sale is located. Bidders assume the risk for the method of delivery. The DNR assumes no responsibility for any delays caused by any delivery service.
 - C. Sealed bid envelopes **must** contain a completed bid form and a bid deposit.
 - D. Sealed bid envelopes **may** contain a check for the Initial Deposit amount and a check for fees.
-

Initial Deposit:

Lump Sum Sales - Initial Deposit must equal 10% of the total bid submitted. (25% if the bidder is a defaulter as defined under WAC 332-140-300)

Weight Scale Sales - Initial Deposit must equal 10% of the bid per ton multiplied by the total sale estimated tonnage. (25% if the bidder is a defaulter as defined under WAC 332-140-300)

Scribner MBF Scale Sales - Initial Deposit must equal 10% of the bid per MBF multiplied by the total sale MBF. (25% if the bidder is a defaulter as defined under WAC 332-140-300)

State of Washington
Department of Natural Resources
Peter Goldmark, Commissioner of Public Lands

STATEWIDE BID BOND

Bond Number _____

_____ of _____,
(Principal's Name) (City, State)

hereinafter called PRINCIPAL, and _____ hereinafter called SURETY,

a corporation organized under the laws of the State of _____, and authorized to transact surety business in the State of Washington, as SURETY, are held and firmly bound jointly and severally to the State of Washington, Department of Natural Resources, hereinafter called the STATE, in the sum of \$150,000.00 Dollars, lawful money of the United States of America. The PRINCIPAL binds itself, its heirs, executors, administrators, successors, and assigns, and the SURETY binds itself, its successors, and assigns, all jointly and severally.

This bond shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this bond, a venue shall be proper only in Thurston County Superior Court.

Signed, sealed and dated this _____ day of _____, _____.
(month) (year)

This statewide bid bond may be used for bidding between the following dates:

Starting: _____

Ending: _____

It Is Hereby Understood and Agreed:

If PRINCIPAL is an apparent high bidder, PRINCIPAL shall before 4:30 p.m., on day of sale, pay to the STATE the amount of the initial deposit in the form of a certified check, cashier's check, bank draft, cash or money order, then this agreement shall be void for the sale on which the payment is made; otherwise, it will remain in force.

SURETY will make payment to the STATE within ten days after demand by the STATE if the PRINCIPAL shall fail to make timely payment as described above.

The SURETY may cancel this bond by sending a written notice to the STATE, not less than forty-five days before a cancellation date; liability shall terminate as to acts or omissions of the PRINCIPAL that occur after the cancellation date.

The PRINCIPAL and the SURETY executed this bond on the date first mentioned.

Principal: (Above named)

Surety: (Above named)

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

City: _____

State & Zip Code

City: _____

State & Zip Code

Surety: (Local Office of Authorized agent)

Signature: _____

Name: _____

Title: _____

Address: _____

City: _____

State & Zip Code

Notary or Company Seal in Space Above

Instructions For Completing Timber Sale Statewide Bid Bond

- A. This form is authorized for use as bid guaranty to qualify for bidding on Washington State Department of Natural Resources timber sales.
- B. The Statewide Bid Bond may be used as bid guaranty on more than one timber sale.
- C. The full legal name and business address of the PRINCIPAL must be inserted where indicated and must be the same as will appear on the bidding record and timber sale contract. The bond must be signed by an authorized person. Additionally, the name must be typed or printed below the signature and title must be shown.
- D. The full legal name and business address of the SURETY must be inserted where indicated. The bond must be signed by an authorized person. Additionally, the name must be typed or printed below the signature and the title must be shown.
- E. If the SURETY does not have a Washington State office or resident agent, but is authorized to transact surety business in the State of Washington as SURETY, it may leave this signature block blank.
- F. This form must be received by the Department of Natural Resources, Product Sales and Leasing Division, PO BOX 47016, Olympia, Washington, 98504-7016, ten days in advance of the auction.
- G. The PRINCIPAL must submit a list of authorized bidders with the Statewide Bid Bond Form.
- H. **The State reserves the right to reject *incomplete or incorrect* bid bond forms, making such forms unacceptable as bid guaranty.**

**State of Washington
Department of Natural Resources
Peter Goldmark, Commissioner of Public Lands**

Timber Sale Per Sale Bid Bond

Bond Number _____

_____ of _____, hereinafter called PRINCIPAL, and _____, hereinafter called SURETY, a corporation organized under the laws of the State of _____ and authorized to transact surety business in the State of Washington, as SURETY, are held and firmly bound jointly and severally to the State of Washington, Department of Natural Resources, hereinafter called the STATE, in the sum of \$ _____ Dollars, lawful money of the United States of America. The PRINCIPAL binds itself, its heirs, executors, administrators, successors, and assigns, and the SURETY binds itself, its successors, and assigns, all jointly and severally.

This bond shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this bond, venue shall be proper only in Thurston County Superior Court.

Signed, sealed, and dated this _____ day of _____, 20 _____.

BID IDENTIFICATION:

SALES NAME(S)	REQUIRED DEPOSIT	AGREEMENT NUMBER(S)

DATE OF BID: _____

It Is Hereby Understood and Agreed:

If PRINCIPAL is the high bidder on the sale(s) identified above and, within ten (10) days of the day of sale, transmits cash, certified check, cashiers check, bank draft or money order, payable to the STATE, in the amount of the bid guaranty required by the terms of the Notice of Sale, *then* this obligation shall be void; *otherwise*, it shall remain in force.

SURETY will make payment to the STATE within ten (10) days after demand by the STATE whenever the PRINCIPAL shall fail to make timely payment as described above.

IN WITNESS WHEREOF: the PRINCIPAL and the SURETY have caused this bond to be executed on the date first mentioned.

SECOND OFFICER: P

Signature: _____

Name: _____

Title: _____

SURETY: (Local Office of Authorized Agent)

Signature: _____

Name: _____

Title: _____

Si _____

Address: _____

Na _____

City: _____

Ti _____

State & Zip: _____

A _____

Ci _____

PRINCIPAL: (Above Named)

Signature: _____

Name: _____

Title: _____

Address: _____

City: _____

State & Zip Code

SURETY: (Above Named)

Signature: _____

Name: _____

Title: _____

Address: _____

City: _____

State & Zip: _____

NOTARY OR COMPANY SEAL IN THE SPACE ABOVE

Instructions For Completing Timber Sale PerSale (s) Bid Bond

- A. This form is authorized for use as bid guaranty to qualify for bidding on Washington State Department of Natural Resources timber sales.
- B. The Timber Sale Per Sale Bid Bond may be used as bid guaranty on more than one timber sale auction held the same date at the same location.
- C. The full legal name and business address of the PRINCIPAL must be the same as will appear on the bidding record and timber sale contract. The bond must be signed by an authorized person, the name typed or printed, and title shown. If PRINCIPAL is a corporation, a second officer must sign in the space to the left of the signature of the officer executing for the PRINCIPAL.
- D. The full legal name and business address of the SURETY must be inserted where indicated. The bond must be signed by an authorized person. Additionally, the name must be typed or printed below the signature and the title must be shown. If this person is not an officer of the corporation, evidence of authority must be submitted.
- E. If the SURETY does not have a Washington State office or resident agent, but is authorized to transact surety business in the State of Washington as Surety, it may leave the local office signature block blank.
- F. The date of the bid bond must not be later than the auction date.
- G. **The State reserves the right to reject *incomplete* or *incorrect* bid bond forms, making such forms unacceptable as guaranty.**