



May 20, 2021

INVITATION TO BID – REVISION 2

TO: All Members of the Geoduck Industry and Prospective Bidders

NOTICES PERTAINING TO THE JUNE 2, 2021 GEODUCK AUCTION

Please pay close attention to some important changes and requirements.

1. **Fifteen (15)** quotas will be auctioned and are located in the following harvest regions:
 Central Sound region at Agate Passage, Apple Tree Cove, Blake Island North, Manzanita, and Restoration Point tracts in Kitsap County; and Hood Canal region at Coon Bay and Vinland tracts in Kitsap County and Thorndyke tract in Jefferson County.
2. All geoduck sold by DNR are conveyed “as is” without any implied warranties.
3. The quota system to be used for this Harvest Agreement allows for the removal of a designated number of pounds of geoduck clams, not to exceed the harvest ceiling, from each harvest area. The geoducks harvested by the Purchaser, up to the harvest ceiling, will be billed at the price per pound listed in the invitation to bid table.
4. **A single bid deposit of \$30,000.00 is required to place bids for quotas at this auction. In addition to the deposit, the following Certificates and Licenses must be provided to DNR prior to entering the auction:**
 - a. **Copy of your Shellstock Shipper’s Certificate** issued by the Department of Health
 - b. **Copy of your Wholesale Dealer License** issued by WDFW
 - c. **Copy of your Business License** issued by Department of Licensing
5. The award of a contract will be based upon the highest cash bonus bid received from a responsible bidder.
6. The term, dates, and times of these Harvest Agreements will be conducted as follows:

| Location | # Quotas | Harvest Period | Days | Time |
|---------------------------|----------|----------------------|-----------|-------------------|
| Agate Passage (06800) | 2 | 7/7/2021 – 8/27/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Apple Tree Cove (06310) | 5 | 7/7/2021 – 8/27/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Blake Is North (08400) | 2 | 7/7/2021 – 8/27/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Manzanita (07000) | 4 | 7/7/2021 – 8/27/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Restoration Point (07850) | 2 | 7/7/2021 – 8/27/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Coon Bay (19900) | 5 | 8/31/2021 -9/10/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Thorndyke (20550) | 6 | 8/31/2021 -9/10/2021 | Mon – Fri | 8:00 AM – 4:00 PM |
| Vinland (20750) | 4 | 8/31/2021 -9/10/2021 | Mon – Fri | 8:00 AM – 4:00 PM |

State closure day(s):

- August 30, 2021
- September 6, 2021

7. Harvesting is not allowed on Sundays or state holidays, as defined by the Washington State Office of Financial Management. Reminder: per section 11(d) of the harvest agreement, “A harvest closure for a partial day shall not be counted as a lost harvest day if Purchaser elects to harvest for the partial day, or if the lost harvest does not exceed four (4) hours that day.”
8. In the event that tract(s) are closed for reasons found in sections 5 and 11 of your contract, DNR may provide opportunity at the following tracts: Eld Inlet West, Fox Island South, Lisabeula, Nisqually, or Still Harbor.
9. Portions of the harvest area may be closed at any time to protect wildlife and other public resources.
10. The areas currently cleared for export to China are listed on DOH’s [website](#).
11. A bond of at least **\$30,000.00** shall be in force for each quota.
12. Purchaser shall harvest no geoducks in areas shallower than the depths below mean lower low water (MLLW) as stated below for the respective harvest area(s). Regardless of any depth restrictions, vessels conducting operations must remain seaward of a line two hundred yards from and parallel to the ordinary high tide line.

| | |
|-------------------|--------|
| Agate Passage | -25 ft |
| Apple Tree Cove | -20 ft |
| Blake Island N | -22 ft |
| Manzanita | -25 ft |
| Restoration Point | -18 ft |
| Coon Bay | -25 ft |
| Thorndyke | -29 ft |
| Vinland | -20 ft |

Maximum Depth Boundary: Purchaser shall harvest no geoducks located deeper than 70 feet below mean lower low water (0.0 ft).

13. Weigh-out will be conducted on the water unless weather conditions make it impractical, in which case the weigh-out will be conducted at the designated off-load site.
14. Charges for the removal of geoducks will be billed every two (2) weeks, with payment due within ten (10) business days of the date of the bill. Failure to submit timely payment may result in one or more of the options noted in section 16(a)(1) of the harvest agreement.

Attachment(s): (1) Test harvest Invitation information
 (2) Invitation to Bid
 (3) RCW 79.140.060 and RCW 79.140.080

May 10, 2021

TEST HARVEST INFORMATION

TO: All Members of the Geoduck Industry and Prospective Bidders

Test harvest previously conducted April 2021. Environmental assessments for each tract may be found on the DNR Aquatics [website](#).

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Hilary S. Franz
Commissioner of Public Lands
Olympia, Washington

INVITATION TO BID – AUCTION DATE: JUNE 2, 2021

Pursuant to RCW 79.135.210, the Department of Natural Resources (DNR) hereby announces that rights to harvest geoducks from the following state tracts will be put up for competitive bid on the above mentioned date.

PRICE PER POUND FOR ALL QUOTAS - \$3.00

| TRACT(s) | QUOTA | TIME | LBS |
|------------------------------|--------------|-------------|----------------|
| Apple Tree Cove / Coon Bay | 1 | 9:00 AM | 21,000 / 5,200 |
| Manzanita / Thorndyke | 2 | 9:15 AM | 21,000 / 5,200 |
| Restoration Point / Vinland | 3 | 9:30 AM | 21,000 / 5,200 |
| Apple Tree Cove / Coon Bay | 4 | 9:45 AM | 21,000 / 5,200 |
| Agate Passage / Thorndyke | 5 | 10:00 AM | 21,000 / 5,200 |
| Manzanita / Thorndyke | 6 | 10:15 AM | 21,000 / 5,200 |
| Blake Island North / Vinland | 7 | 10:30 AM | 21,000 / 5,200 |
| Apple Tree Cove / Coon Bay | 8 | 10:45 AM | 21,000 / 5,200 |
| Manzanita / Thorndyke | 9 | 11:00 AM | 21,000 / 5,200 |
| Restoration Point / Vinland | 10 | 11:15 AM | 21,000 / 5,200 |
| Apple Tree Cove / Coon Bay | 11 | 11:30 AM | 21,000 / 5,200 |
| Agate Passage / Thorndyke | 12 | 11:45 AM | 21,000 / 5,200 |
| Manzanita / Thorndyke | 13 | 12:00 PM | 21,000 / 5,200 |
| Blake Island North / Vinland | 14 | 12:15 PM | 21,000 / 5,200 |
| Apple Tree Cove / Coon Bay | 15 | 12:30 PM | 21,000 / 5,200 |

SPECIAL NOTE: DNR is only auctioning a portion of its annual 2021-2022 Total Allowable Catch (TAC) in these regions. DNR intends to offer remaining available pounds as additional opportunity (at full contract price) on a first come first served basis upon completion of original quota ceiling. Potential additional harvest opportunity shown below:

- Central Sound Region, Area 1 – Agate Passage and Manzanita, = up to 7,000 lbs
- Central Sound Region, Area 2 – Apple Tree Cove and Restoration Pt = up to 50,000 lbs
- Hood Canal Region – Coon Bay, Thorndyke, and Vinland = up to 50,000 lbs

The purpose of DNR's election to put these rights up for competitive bid is to serve the public's interest by obtaining the highest price from responsible bidders. DNR, therefore, solicits bid proposals from interested parties. Bidders will bid for the non-exclusive right to go onto the stated area and remove geoducks up to the listed Harvest Ceiling limit.

The terms under which successful bidders are to operate are set out in the Harvest Agreement and the laws and regulations of the state of Washington. **DNR reserves the right to increase or decrease the Harvest Ceiling at any time during the Harvest Agreement** to ensure that total pounds harvested from state-owned aquatic lands for the year meet the state's target sustained yield, and to ensure that the geoduck industry has an opportunity to harvest the state's share of the resource.

Purchasers will be notified of any such addition or subtraction of pounds to the Harvest Ceiling. The Harvest agreement outlines the rights and obligations of the parties regarding changes to the Harvest Ceiling. Tribal harvesting could occur before during or after purchasers have harvested their share of resource from the geoduck tracts.

A. HARVEST AGREEMENTS WILL BE OFFERED BY ELECTRONIC BID

1. A single bid deposit of \$30,000.00 will be required in order to place bids for quotas at this auction. **The deposit must be received by DNR no later than the Friday, May 28, 2021** in order to participate in the online auction. Failure to provide a bid deposit by the date due will exclude bidders from the auction.
2. You may submit the deposit by regular postal mail, USPS Priority Mail, Federal Express, UPS envelopes, or via wire transfer. **Please indicate "6/2/2021 Geoduck Auction Deposit" on the check** and mail to the address provided below:

DNR Aquatic Resources Division
ATTN Wildstock Geoduck Program
1111 Washington St SE, MS 47027
Olympia, Washington 98504-7027

3. Deposits will be posted the date of receipt. Any deposits corresponding to non-winning bids will be refunded at the earliest convenience.
4. A link to **SKYPE** will be distributed via email on Tuesday June 1, 2021 to all companies who submitted deposits. This link will provide a bid form, information regarding the bidding process, and access to the online auction. Please remember, to conduct an orderly auction process, you will be muted during bid reading. Questions may be addressed via the Skype chat or sent directly via email to a member of the Wildstock Geoduck team.
5. Staff will be available the morning of the auction from 8:30 AM to 8:59 AM to answer questions. Please note, the rights and obligations of any party to a Harvest Agreement are defined solely by the terms of the written Agreement.

B. AUCTION PROCESS

1. Prior to the first electronic bid opening on auction day, **June 2, 2021**, DNR will designate the official clock. This clock will be used as the official time for all bid openings. Bid opening will begin at 9:00 AM. See above table for bid opening times.

2. All bids must be completed on the official bid form and emailed to the following address:

DNRREAQGEODUCK@dnr.wa.gov

Failure to submit an accurate and complete official bid form will constitute a material defect of the bid, per RCW 79.140.160 section 1(b). For each bid please indicate in the subject line of your email the following:

- Company name
 - Quota number
 - Tract name
3. Emailed bids will be opened and read aloud. Bids are recorded and available for online viewing.
 4. If the highest bonus bid is made by two or more bidders, the tie will be resolved by having the tie bidders submit additional emailed bonus bids, (“Tie Breaking Bids”). Each Tie Breaking Bid must be greater than or equal to the bid amount that resulted in the tie. The Tie Breaking Bids must be submitted before the next bid opening or after the final bid opening.
 5. All apparent high bidders will receive an email following the auction detailing the documentation and funds needed to be confirmed for contracts.

C. GENERAL INFORMATION

1. The Harvest Agreements will be awarded on the basis of the highest bonus bid from a responsible bidder. In submitting a bonus bid, the bidder is making an offer to enter into a contract with the State for the right to harvest geoduck clams.
2. DNR reserves the right to waive nonmaterial bid irregularities. DNR’s right to waive nonmaterial bid irregularities is purely discretionary, and need not be exercised in every case.
3. All awards are subject to confirmation by the Department of Natural Resources.
4. The department of natural resources expressly reserves the right to reject any or all bids.
5. All corporations and limited partnerships must be registered with the Office of the Secretary of State. Failure to comply will result in an unqualified bid.
6. By no later than **June 15, 2021**, the apparent high bidder must provide DNR with all responsible bidder information described in Part D(3) of this Invitation to Bid, the remaining bonus bid, acceptable security, and proof of required insurance. Failure to provide the required information within this time period will constitute a material defect in the bid under the Responsible Bidder statute, RCW 79.140.060.
7. Within thirty (30) calendar days of the auction, DNR will determine whether to confirm the apparent high bidder as the highest responsible bidder. If DNR, in its sole discretion, determines that the bidder is responsible, and if the other statutory prerequisites to bid confirmation are met, DNR will confirm the bid. Bid confirmation is acceptance of the bidder’s offer to enter into a contract.
8. Within five (5) business days of the date the bids are confirmed, the apparent high bidder must provide DNR with the signed and notarized Harvest Agreements. Failure to provide the signed and notarized Harvest Agreements within that time will constitute a breach of

contract and bid default. DNR may consider the default in evaluating bidder responsibility for this auction and in future auctions under RCW 79.140.060.

9. DNR has up to five (5) business days to process and sign Harvest Agreements from the time it receives the executed Agreement from the confirmed bidder. No harvesting can take place until the Harvest Agreement has been signed by the Department of Natural Resources' Aquatic Resources Deputy Supervisor or designee.
10. In the event that a bidder is found not to be responsible or defaults on the bid, DNR, at its discretion, may re-auction the quota, or offer the Quota to the apparent second highest bidder. The second highest bidder will be required to supply all bidder information required in Part D(3) below, along with the required bonus bid, security, and proof of insurance within five (5) days of notification by DNR.

D. IN EVALUATING BIDDER RESPONSIBILITY, DNR shall be entitled to consider any matters that relate to the factors listed in RCW 79.140.060 including, but not limited to:

1. Bidder's legal competency (including licensing); and
2. Other bidder competency (including financial resources, equipment, prior performance, and proposed Plan of Operation).
3. To assist DNR in evaluating whether the apparent high bidder is the highest responsible bidder, the apparent high bidder will be required to provide the following information:
 - a. **Any remaining bonus bid**, less deposit (bonus bid amount - \$30,000.00).
 - b. **Articles of Incorporation**; including but not limited to elements as noted in RCW 23b.02.020 and WAC 260-13-520.
 - c. **Most recent financial statement**, current balance sheet, and banking reference.
 - d. **Certificate of Commercial General Liability Insurance** naming DNR as additional insured for all employees, contractors, and sub-contractors.
 - e. **Copy of your Shellstock Shipper's Certificate** issued by the Department of Health.
 - f. **Copy of your Wholesale Dealer License** issued by WDFW.
 - g. **Copy of your Business License** issued by Department of Licensing.
 - h. **Purchaser's and subcontractor's proof of workers compensation (L&I) insurance**, UBI numbers and account numbers, are required.
 - i. **Acceptable Security**, Savings Account or Certificate of Deposit assignment, Cash Bond, Performance Bond, or Letter of Credit naming DNR as obligee.
 - j. **Proposed Plan of Operation** (form provided by DNR), which shall include:
 - Source, identity, and legal relationship between apparent high bidder and divers, tenders, vessels, and other harvest equipment; (i.e. employee/employer or subcontract) and if by subcontract, subcontractor(s) identity;
 - Harvest, bond, off-load, and vessel moorage information;
 - The identity of all vehicles used to transport harvested geoducks from the approved off load site;
 - Steps Purchaser will take to ensure compliance with this Harvest Agreement, by Purchaser, Purchaser's employees, and subcontractor(s); and
 - Past experience in underwater seafood harvesting, including experience in supervising or managing commercial dive operations.

- E. A packet with samples of the above information is provided to the apparent successful high bidders by the end of the auction.
- F. All of the above required information must be submitted to DNR and will not be accepted if incomplete. Failure to return required information may result in a bidder not being confirmed/deemed responsible under RCW 79.140.060. The bid shall be rejected and the bid deposit forfeited.
- G. DNR's determination regarding the acceptance and confirmation of bids, or of bidder responsibility, shall be a final decision by DNR and the Commissioner of Public Lands, who has delegated such authority pursuant to a formal Designation and Order of Delegation. A bidder's sole remedy shall be to pursue any timely appeals that may be provided by RCW 79.02.030 or RCW 79.105.160. In no case shall DNR, or its agents, be liable for any claim for damages arising from such determinations.
- H. The specific rights and obligations of an apparent high bidder that is confirmed as a responsible bidder/harvester are contained in the Harvest Agreement (Agreement). The information herein is a summary of information relating to this auction, and is provided as a matter of convenience. The obligations of the Department of Natural Resources, any bidders, and any person or entity that executes an Agreement are defined by the Agreement and the statutes, regulations, and laws of the State of Washington. Nothing in the Invitation to Bid, in any other written materials, or in any oral statements that might be made, shall supersede the Agreement. Sample copies of the Agreement will be available at the auction or may be requested in advance by contacting DNR's Aquatic Resources Division, PO Box 47027, Olympia, WA 98504-7027. In the case of any discrepancy, the Agreement will control, and each bidder should review its content in advance of any submission of bids.

Any oral statement by any representative of the state, modifying or changing any conditions of this Invitation to Bid, is an expression of opinion only and confers no rights on to any bidder. In the event of any discrepancies between the Invitation to Bid and the Harvest Agreement, the Harvest Agreement will control. A sample Harvest Agreement will be available at the time of the auction or may be obtained in advance by contacting DNR's Aquatic Resources Division, PO Box 47027, Olympia, WA 98504-7027.

RCW 79.140.060

Determination of highest responsible bidder.

- 1) To determine the "highest responsible bidder" under RCW [79.140.050](#), the department shall be entitled to consider, in addition to price, the following:
 - (a) The financial and technical ability of the bidder to perform the contract;
 - (b) Whether the bid contains material defects;
 - (c) Whether the bidder has previously or is currently complying with terms and conditions of any other contracts with the state or relevant contracts with entities other than the state;
 - (d) Whether the bidder was the "highest responsible bidder" for a sale within the previous five years but failed to complete the sale, such as by not entering into a resulting contract or by not paying the difference between the deposit and the total amount due. However, sales that were bid prior to January 1, 2003, may not be considered for the purposes of this subsection (1)(d);
 - (e) Whether the bidder has been convicted of a crime relating to the public lands or natural resources of the state of Washington, the United States, or any other state, tribe, or country, where "conviction" includes a guilty plea, or unvacated forfeiture of bail;
 - (f) Whether the bidder is owned, controlled, or managed by any person, partnership, or corporation that is not responsible under this statute; and
 - (g) Whether the subcontractors of the bidder, if any, are responsible under this statute.
- 2) Whenever the department has reason to believe that the apparent high bidder is not a responsible bidder, the department may award the sale to the next responsible bidder or the department may reject all bids pursuant to RCW [79.140.080](#).

RCW 79.140.080

Confirmation of sale.

- 1) A sale of valuable materials shall be confirmed if:
 - (a) No affidavit showing that the interest of the state in such a sale was injuriously affected by fraud or collusion, is filed with the department's Olympia office within ten days from the receipt of the report of the auctioneer conducting the sale;
 - (b) It appears from the report that the sale was fairly conducted, that the purchaser was the highest responsible bidder at the sale, and that the sale price is not less than the appraised value of the property sold;
 - (c) The department is satisfied that the material sold would not, upon being readvertised and offered for sale, sell for a substantially higher price; and
 - (d) The payment required by law to be made at the time of making the sale has been made, and that the best interests of the state are being served.
- 2) Upon confirming a sale, the department shall enter upon its records the confirmation of sale and issue to the purchaser a contract of sale or bill of sale as the case may be, as is provided for in this chapter.