

# 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 interferences 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](http://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).

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. Purchasers must pay the Forest Excise Tax on the bid price, permanent road construction costs, and other considerations. The tax rate is 5% without the EARR credit and 4.2% with the credit. For more information contact the Department of Revenue, Forest Tax Section at 1-800-548-8829.

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. **The successful bidder also agrees to return a signed contract to the State within 30 days of confirmation.** Failure to provide a signed contract to the state within 30 days of confirmation may result in a loss of bidder's rights to the products sold and forfeiture of initial deposit moneys.

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 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 bid forms 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). Sales added after the book is printed will be inserted to retain this order. Sort sales may be auctioned out of this sequence at the State's convince.

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, Forest Resources and Conservation 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. 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 the auction.**
- D. A Statewide Bid Bond cannot be used to secure the Initial Deposit payment due the day of auction.
- E. 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, cashiers' 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, cashiers' 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, cashiers' 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
- Authorized to submit bids

## **Authorized Representatives**

Company officers or company authorized representatives may 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, Forest Resources and Conservation Division, PO BOX 47016, Olympia, Washington, 98504-7016, ten days in advance of the auction. A company owner or officer must sign this submittal.