

# PROSPECTUS

Chadalamalqwn Logging Unit  
COEUR D'ALENE INDIAN RESERVATION

## THIS TIMBER IS NOT SUBJECT TO EXPORT RESTRICTIONS OR SUBSTITUTION LAWS

### INTRODUCTION

Coeur d'Alene Tribal Forestry offers for sale by sealed bid, in accordance with 25 CFR 163 an estimated 1,382 thousand board feet (MBF) of merchantable timber and 988 tons of all species tonwood on the Chadalamalqwn Logging Unit. Bids will be opened at the Coeur d'Alene Tribal Forestry Office, Plummer, Idaho 83851 on September 28, 2010. No bids will be accepted after 10:00 local time, except as allowable by TERO Ordinance. Only bids from entities that have a current Coeur d'Alene Tribal Business license will be accepted.

This prospectus is furnished to acquaint you with some of the requirements and features of this logging unit. If its wording or meaning disagrees with the contract, the contract is final and binding. We urge you to discuss complete contractual obligations with the forestry staff at the Coeur d'Alene Tribal Forestry Department in Plummer, Idaho. Arrangements may be made there for examination of the sale unit. No guarantee is made of the forest products volume or quality mentioned herein. You are urged to make your own independent estimates to determine your bidding decisions. Each bidder must be prepared to assume full responsibility for the success of the operation under contract terms at the price bid.

### BIDDING PROCEDURES

Acceptable bids must be submitted in duplicate, on forms provided, in a sealed envelope marked outside "Proposal for Timber, Chadalamalqwn Logging Unit" and sent to the Superintendent, Coeur d'Alene Agency, P.O. Box 287, Plummer, ID 83851, or hand delivered to the Coeur d'Alene Tribal Forestry Building, 215 Agency Road, Plummer, ID 83851. Each bid must state the price per net thousand board feet (MBF), Scribner Decimal C log scale that will be paid for sawlogs cut and scaled. Minimum bid prices for the Chadalamalqwn Logging Unit are:

Ponderosa Pine Sawlogs (6 to 7 inch)	\$70 per MBF
Ponderosa Pine Sawlogs (8 inch +)	\$200 per MBF
Douglas-fir and Western Larch Sawlogs	\$200 per MBF
Grand Fir and Other Species Sawlogs	\$150 per MBF
All Species – tonwood (log diameters 4 to 5.5 inches)	\$20 per TON

The Chadalamalqwn Logging Unit contains minor amounts of the following products that are not biddable items. These include:

Western Redcedar Sawlogs	\$320 per MBF
All Species—Pulp and Other Products	\$2.00 per TON

Bidders must also submit a completely signed copy of their Tribal Business license to expedite the award process. Indian preference will apply as per TERO Ordinance.

**PERIOD OF CONTRACT**

The contract provides that all the timber designated for cutting will be hauled and scaled on or before September 30, 2011. All other contract obligations will be completed by October 31, 2011.

**LOCATION**

The contract area is located near Plummer, Idaho to the east and south. It is accessed by taking US Highway 95 to Plummer, Idaho. From there, Allotments 138B and 366 are accessed by taking State Highway 5 east approximately one-half mile. Allotments 365 and 367 are south of Plummer approximately one-quarter mile off US Highway 95 on the Underpass Road. The sale area is approximately 35 miles south of Coeur d'Alene, Idaho. The entire area is located in Benewah County, Idaho. The following allotments are included:

Allotment 138B: portions of the southwest quarter of section 8, Township 46 North, Range 4 containing 78.36 acres, more or less. 39 acres are planned for logging.

Allotment 365: Lots 1, 2, 3, and 4, in section 19, Township 46 North, Range 4 West, containing 144 acres, more or less. 62 acres will be harvested.

Allotment 366: portions of the NW and SW quarters of section 17, Township 46 North, Range 4 West containing 155 acres, more or less. 146 acres will be harvested.

Allotment 367: portions of Section 30, Township 46 North, Range 4 West and portions of Section 25, Township 46 North, Range 5 West, containing 152.18 acres, more or less. 99 acres will be harvested.

*Mileage to Area Wood Product Processing Facilities*

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Bennett Lumber Products in Princeton, Idaho	29
Idaho Forest Group, Chilco, Idaho	49
Stimson Timber Company, Plummer, Idaho	0.5
Boise Cascade, Kettle Falls, Washington	161
Stimson Timber Company, St. Maries, Idaho	35
Clearwater Paper, Lewiston, Idaho	121

**TIMBER CRUISE SUMMARY**

Cruise volume was estimated by measuring every cut tree diameter at breast height (DBH) to the nearest one-inch diameter class and using Forest Projection and Planning System software to calculate gross volume per tree. Defect and breakage were estimated to be 10 percent.

**Table 1: Averages by Species and Total Net MBF**

	Ponderosa Pine	Douglas-fir and Western Larch	Grand Fir and Other Species	Western Redcedar	Average or Total
Average DBH	14.2	12.1	11.8	10.0	12.6
Net BF per Log	63	41	45	31	48
% Defect	10	10	10	10	10
Trees to Cut	2,248	8,856	2,874	5	13,983
Net MBF	408	722	251	0.2	1,382

Table 2. Board foot volume by log diameter and species summary

Species	4 to 5	6 to 7	8 to 9	10 to 12	13 to 15	16 to 18	19 plus	Total	6"+ only
PP	22,674	30,180	40,720	82,935	74,785	73,861	105,750	430,904	408,230
Percent	5	7	9	19	17	17	25	100	
DF&WL	81,530	128,180	105,236	207,936	126,268	73,536	80,968	803,654	722,124
Percent	10	16	13	26	16	9	10	100	
GF&OS	27,482	30,999	39,661	64,022	47,076	38,592	31,057	278,888	251,407
Percent	10	11	14	23	17	14	11	100	
WRC	51	43	60	129	0	0	0	284	232
Percent	18	15	21	45	0	0	0	100	
Total	131,737	189,401	185,677	355,021	248,129	185,990	217,775	1,513,730	1,381,993

\*Tons per MBF conversion factor is 7.5

Table 3. Estimated volume and minimum acceptable bid

Product	Estimated Volume	Minimum Bid
PP Sawlogs (6-7")	30 MBF	
PP Sawlogs (8"+)	379 MBF	
DF&WL Sawlogs	722 MBF	
GF&OS Sawlogs	251 MBF	
All Species Tonwood	988 TONS	

#### TIMBER MARKING

Within the logging unit, trees are designated for cutting by paint marks at eye level and below stump height. All trees designated for cutting are to be cut and tested for merchantability. Trees are marked with the following colors of paint:

Blue: Allotments 366 and 367

Yellow: Allotments 138B and 365

Additional timber may be designated for cutting during the life of the contract. The purchaser will be required to cut and pay for any additional timber designated for cutting.

#### ROAD CONSTRUCTION AND MAINTENANCE

Existing roads can be used to access most of the contract area. Approximately one mile of road is overgrown and will need to be re-opened. Approaches to 1<sup>st</sup> Street, Promise Lane, and Underpass Road will need rock and/or temporary culvert placement prior to logging. A payment in the amount of \$2,500.00 is required by October 31, 2010 to cover the cost to the Tribe for doing this work. Roads must be maintained while in use as directed by the Officer in Charge. Road work required of the purchaser is expected to consist primarily of maintaining satisfactory drainage on roads. Construction of cross ditches and removal of any stream crossing material that would impede runoff will be required prior to seasonal shut down of operations or periods of heavy runoff. If warranted, dust abatement measures will be required. At the completion of logging, necessary maintenance and repairs to unsurfaced roads must be completed by the purchaser.

### EROSION CONTROL

After final road maintenance, secondary haul roads, spur roads, landings, and exposed skid trails except those in farm fields shall be seeded with a native grass and fertilizer mix.

### LOGGING RESTRICTIONS

The contract area frequently remains soft and muddy during winter and spring months. The season of operation may be restricted to only the months of June through October.

Operations may be suspended for such periods as the Officer in Charge may deem necessary to avoid excessive damage when ground conditions are unfavorable

No operation of skidding equipment will be allowed within delineated Riparian Management zones. Operation of skidding equipment within 25 feet of any intermittent stream must have prior approval of the Officer in Charge. All stream crossings must be designated and approved in advance in writing by the Officer in Charge. Rock, culverts, log corduroy, PVC pipe bundles, or a similar acceptable substitute may be required. Acceptable substitute requirements are:

1. Must be able to allow unimpeded runoff passage during storm events
2. Must maintain stream bank stability
3. Must maintain integrity of stream bottom

Operation of skidding equipment will only be permitted on dry or frozen soils. Prior to the commencement of logging, the purchaser will be required to designate skid trail locations on the ground with flagging. The officer in charge will inspect and approve skid trail locations prior to tree falling commencement. Skidding equipment will stay on approved skid trails and utilize a winch to skid logs into trails.

Liquidated damages may be assessed for unauthorized stream crossings, soil damage from unauthorized skid trail and/or landing construction, and soil loss resulting from improper water bar installation. The amounts will be set at \$500.00 for each unauthorized stream crossing and at ten cents per square foot of soil damaged or lost by improper skid trail, landing, or water bar installation.

### SCALING PROVISIONS

Scaling shall be by third party scaling service authorized to scale Indian logs (or by USDA Forest Service scalers at approved sites), except that waste material shall be scaled by Tribal Forestry. Third party scaling by the consuming mill may be authorized by the Approving Officer through approval of a Consumer Scale Authorization and Third Party Scaling Agreement with the consuming mill(s). If the Purchaser is the consuming mill, an Addendum to the Consumer Scale Authorization must be approved, requiring that an independent producer (logging sub-contractor) must cut and skid the timber to be scaled and that the basis for payment between the two parties will be based on scale.

The planned scaling frequency is 100 percent.

Logs that become blue-stained due to negligence on the part of the purchaser shall be considered green ponderosa pine sawlogs for payment purposes. Blue-stained sawlogs are defined as logs showing blue stain in both ends of the scaling cylinder and are a minimum of 8' 1" in length, and 5.51 inches in diameter.

### SLASH AND CULL TREE DISPOSAL

Whole tree skidding of trees is required except in Seed Tree Units 1, 2, and 3, and as directed by the Officer in Charge. Along roads, landings, and where machine piling is directed, slash and woody debris accumulated shall be grapple piled for biomass efforts. Slash remaining from previous harvest operations or from insect, wind, or other damage shall be re-piled with current harvest slash. Landing slash shall be compactly piled, free of dirt, and no closer than 30 feet to live trees. Cull logs skidded into landings must be compactly decked, separated from slash and not burned.

Harvest trees in Seed Tree Units will be limbed and topped prior to skidding. The purchaser shall move any slash from his operation at least 6 feet from residual trees through lop and scatter or other pull back method. All slash

compliance must be complete prior to moving to the next allotment. The purchaser will not be responsible for burning of piles. A payment in the amount of \$5,775.00 dollars will be required from the purchaser by the final cut and pay date or within 30 days of final invoicing (whichever comes first) to cover the cost to the Tribe of preparing these units for planting.

The purchaser shall obtain and furnish a copy of the Certificate of Slash Disposal Compliance from the Idaho Department of Lands, West St. Joe Forest Protection District, to the Coeur d'Alene Tribal Forestry Department before beginning operations.

#### DEPOSIT WITH BID

A deposit with bid, in the amount of TWELVE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$12,500.00) in the form of cashier's check, bank draft, Irrevocable Letter of Credit, or postal money order, payable to the Bureau of Indian Affairs, must accompany each sealed bid. The deposit of the apparent high bidder and of others who submit written requests to have their bids considered for acceptance will be retained pending acceptance or rejection of bids. Deposits of the unsuccessful bidders will be returned.

#### NOXIOUS WEEDS

Skidding equipment shall be washed seasonally prior to move-in. Washing shall be sufficient to remove weed seeds from the equipment. The Officer in Charge additionally may require washing of skidding equipment prior to movement to a different location.

#### UTILIZATION

Timber shall be cut to fully utilize the merchantable material and to yield the maximum stumpage value. Timber cut into lengths or products of lesser value shall be scaled as if cut to yield the maximum value of products covered by the contract. For example, a 2 segment PP log will be split scaled if one segment is 6-7" and the other segment is 8 inches or more.

The purchaser shall ensure that all merchantable material that is designated to be cut is removed from the sale. All waste in improper long butts, tops, broken and partially sound logs, missed logs or trees, and trees designated for cutting that are not removed shall be scaled by Tribal Forestry and paid for by the purchaser.

#### PAYMENT FOR TIMBER

The purchaser shall pay for timber in advance of cutting through advance payments and advance deposits in a form acceptable to the Approving Officer. Payments and deposits are due on the date specified in the written requests from the BIA.

#### ADVANCE PAYMENT

An advanced payment equal to 25% of the contract stumpage value is due within 30 days from the date of each subsidiary contract approval and before cutting begins. Advance payments shall be credited against the timber of each ownership in the sale as the timber is cut and scaled at the contract stumpage rates. Advance payments are not refundable.

Refunds of surplus account balance shall be made to the purchaser upon closure of the sale. The minimum advance deposit and minimum balance shall be calculated based on the bid rate and expected monthly production of the purchaser.

#### ADVANCE DEPOSIT

The contract requires that timber will be paid for in advance of being cut. This shall be accomplished by maintaining an account of advance deposits, which the Purchaser will pay into at regular intervals during the course of operations to maintain a minimum balance.

After the bid has been accepted by the Approving Officer, a required Log Plan meeting will be held with the Purchaser to determine the specifics of the planned harvest operation. The Advance Deposit will then be calculated

by multiplying the average volume of the monthly production during the Purchaser's usual or average planned season of operations by the bid price for all sawlogs and products of the estimated volume.

**PERFORMANCE BOND**

A performance bond in the amount of \$28,000 shall be furnished by the Purchaser within 30 days of the acceptance of the bid, and shall be retained for the duration of the contract to ensure satisfactory performance by the Purchaser. The bond may be in the form of a cashier's check, Irrevocable Letter of Credit, or other form acceptable to the Approving Officer.

**TRIBAL EMPLOYMENT RIGHTS ORDINANCE (TERO)**

Coeur d'Alene Tribal Forestry operates under an Indian preference labor ordinance. The Tribal Employment Rights Ordinance (TERO) requires that Indian subcontractors be given preference for hiring. Before bidding, prospective bidders should contact the following office to obtain full information regarding qualifications, availability and other requirements for Indian subcontractors to claim TERO preference. All bidders are required to obtain a Coeur d'Alene Tribal Business license prior to submitting a bid. Business licenses can be obtained from the TERO office indicated below. The purchaser and any subcontractors will be required to submit a TERO compliance plan to the TERO director for approval and a copy to Tribal Forestry prior to commencement of operations each season.

Coeur d'Alene Tribal Employment Rights Office (TERO)  
P. O. Box 408, 850 A Street  
Plummer, ID 83851  
Telephone: (208) 686-6107

**FINANCIAL STATEMENT**

Before officially accepting the bid, the Coeur d'Alene Tribe may require a financial statement from a corporation, partnership, or individual who has not previously purchased timber on the Coeur d'Alene Reservation.

**CONCLUSION**

Additional Information may be obtained from Kurt Mettler at the Coeur d'Alene Tribe Forestry Department, P. O. Box 408, Plummer, ID 83851 at (208) 686-1315.

### Vicinity Map --Chadalamalqwn Logging Unit

