

STATE FOREST TIMBER STUMPAGE SALE BIDDING AND PERFORMANCE REQUIREMENTS

Bidding

The Department of Conservation and Natural Resources, Bureau of Forestry offers for sale more than 70 million board feet of timber per year. More than 180 timber sales are available to eligible buyer's to bid on annually. These timber sales are sold by sealed bids that are opened during a public bid opening at a scheduled time and date.

To guarantee execution of contracts the Department requires prospective buyer's to provide a bid deposit along with their signed bid agreement for all sales. Regular buyers have the option to provide permanent bid bonds. Bid deposits not held as permanent bid bonds will be returned to unsuccessful bidders following the bid opening. The successful bidder's bid deposit will be returned when the contract is executed and a satisfactory performance deposit is provided. The successful bidder has the option to apply his bid deposit to the performance deposit or the initial block payment.

If the highest qualified bidder fails to execute the contract or provide a satisfactory performance deposit, the bidder will be considered in default and will forfeit his bid deposit to the Department as liquidated damages and the timber may be offered to the other qualified bidders in the order of descending bids, or negotiated or re-advertised as appropriate. The consequence of such a default may also subject the Bidder to further sanctions under the statewide Contractor Responsibility Program in accordance with Management Directive 215.9 Amended, as issued by the Governor's Office. Such Contractor Responsibility action may result in finding the Bidder non-responsible in subsequent timber sales and preclude an award to the Bidder in those sales.

Bid Deposits are assigned in accordance with the following table:

MINIMUM SALE VALUE Before Road Cost Deduction (\$)		REQUIRED DEPOSIT
<u>FROM</u>	<u>TO</u>	
100	1,000	100
1,001	5,000	300
5,001	10,000	600
10,001	20,000	1,000
20,001	50,000	2,500
50,001	100,000	6,000
100,001	500,000	10,000
500,001	1,000,000	20,000
1,000,001	2,000,000	30,000
2,000,001	3,000,000	40,000
3,000,001	4,000,000	50,000
4,000,001	5,000,000	65,000
5,000,000	And Higher	1.5 % of value rounded to nearest \$1,000

Performance

The successful bidder must furnish as a guarantee for performance of their bid commitment a corporate surety bond or a certified, cashier's or treasurer's check or official check or bank, postal or express money order payable to the Commonwealth of Pennsylvania. Personal check or personal money order will not be

accepted for a performance deposit. Negotiable securities, including letter of credit, bank savings account or bank investment certificate may be furnished in lieu of the above.

Performance deposits are determined as follows:

<u>Bid Amount</u>	<u>Performance Bond</u>
< \$50,000	25%*
\$ 50,000-\$250,000	20%*
\$250,000-\$2,500,000	15%*
>\$2,500,000	10%*

*of the sum of bid and Bureau road estimate