



UNITED STATES  
DEPARTMENT OF THE INTERIOR BUREAU OF LAND  
MANAGEMENT

**TRANSMITTAL SHEET**

Release

Date

Office Code

Subject:

FOIA  
Designation  
Letter:

1. Updates, supersedes, or rescinds:
  
  
  
  
  
  
  
  
  
  
2. Explanation of Materials Transmitted:
  
  
  
  
  
  
  
  
  
  
3. Reports Required:
  
  
  
  
  
  
  
  
  
  
4. Delegations of Authority Updated:
  
  
  
  
  
  
  
  
  
  
5. Filing Instructions: File as directed below.

REMOVE

INSERT

## Contents

I. INTRODUCTION .....	1
II. PRE-SALE ACTIONS. ....	1
A. Qualifications of Bidder or Purchaser for Sale of Forest Product. ....	1
1. Bidder Qualification .....	1
2. Evidence of Qualification.....	1
3. Bid Deposits .....	1
4. Special Considerations .....	3
5. Small Business Set-Aside.....	3
B. Preparation for Sale. ....	4
1. Sale Room .....	4
2. Sales Assistance.....	4
C. Consideration of Bidder Questions.....	4
D. Entering Sale Data into the Timber Sale Information System (TSIS).....	4
III. Sale Procedures.....	1
A. Types of Bidding .....	1
1. Sealed Bid Sales .....	1
2. Oral Auctions.....	1
B. Bid Commitment .....	1
C. Opening the Public Sale.....	2
D. Bidding Rules .....	4
1. Sealed Bid Sales .....	4
2. Oral Auction .....	4
E. Conduct of Sale Procedure .....	6
1. Sealed Bid Sale.....	6
2. Oral Auction .....	7
F. Rejection of Bids .....	9
1. Bid Deposit.....	9
2. Bid Price .....	9
3. Qualifying Documents - Set-Aside Sales.....	9
4. Sales Involving Resale of Forest Product.....	9
G. Waiver of Minor Deficiencies .....	9
1. Irregularity in Bid Submission .....	9

2. Irregularity in Bidding ..... 9

3. Irregularity in Advertisement ..... 10

H. Closing the in-person Public Sale..... 10

    1. No-Bid Tract..... 10

    2. High Bidder Not Announced..... 10

    3. Small Business Set-Aside Tracts..... 10

IV. Post-sale Actions ..... 1

A. Bid Deposits..... 1

    1. High Bidder Deposit..... 1

    2. Other Bidder Deposit(s) ..... 1

B. Reporting Requirements ..... 1

V. Ninety-Day Sales ..... 1

A. Provisions for 90-day Sales ..... 1

    1. Criteria..... 1

    2. Restrictions..... 1

    3. Abandonment of Set-Aside Status..... 1

B. Ninety-Day Sale Procedure ..... 1

    1. Advertising Procedures ..... 1

    2. Accepting Bids ..... 2

    3. Determining the High Bidder ..... 2

C. Withdrawal of 90-Day Sale ..... 3

D. Reporting Requirements ..... 3

Glossary of Terms..... 1

Illustration 1- State Government Websites for Verifying Corporations and Debarment Checklist 1

Illustration 2- Format for Irrevocable Standby Letter of Credit ..... 1

Illustration 4- Example of Overall Bidding – Bidding Major Species..... 1

Illustration 5- Example of Overall Bidding – Bidding Mixed Species..... 1

Illustration 6- Model Letter for Return of Bid Deposit..... 1

Illustration 7- Example of News Release – Results of Timber Sale..... 1

Illustration 8- Model Notice of Receipt of Bid..... 1

Illustration 9- Model Letter Notifying Bidder of Oral Auction..... 1

## **I. INTRODUCTION.**

The authority, responsibility, and policy for the conduct of sales of timber or other vegetative resources offered for sale are set forth in Bureau of Land Management (BLM) Manual Sections 5000-1 and 5400. This handbook sets forth policy and procedural guidelines for qualification of bidders, sales procedures, post-sale actions, and 90-day sales.



## II. PRE-SALE ACTIONS.

Within the context of this handbook, pre-sale actions are related to bidder qualifications and steps necessary to prepare for the public sale.

### A. Qualifications of Bidder or Purchaser for Sale of Forest Product.

1. Bidder Qualification. A bidder or purchaser of BLM timber must be at least the age of majority in the State where the sale is being conducted and a citizen of the United States, or a partnership composed wholly of such citizens, or an unincorporated association composed wholly of such citizens (such as a Limited Liability Company or Partnership), or a corporation authorized to transact business in the State in which the forest product is located. A purchaser of vegetative resources other than timber does not need to verify U.S. citizenship. BLM timber sales are covered transactions under the suspension and debarment rules pursuant to 43 CFR 5441.1. A bidder or purchaser that is suspended, debarred, voluntarily excluded, or otherwise ineligible is prohibited from bidding on a timber sale. Pursuant to 2 CFR 180.135 and 1400.137, the Department's Director of the Office of Acquisition and Property Management may grant an award specific written compelling reasons exception to permit an excluded party to participate in the covered transaction (43 CFR 5441.1(c)). In addition, a bidder that has exported unprocessed private timber in the 24-months prior to the expected sale date is not qualified, since an exporter would be ineligible for award.

2. Evidence of Qualification. At the request of the authorized officer or their designee, bidders must furnish evidence of qualification to bid in conformance with section II.A.1. Once a bidder is determined to be qualified and goes on to be awarded a sale, the purchaser will be entered into the Timber Sale Information System (TSIS) which serves as a repository of qualified bidders. When a bidder uses form [5440-9 Bid Deposit](#), they self-certify that they meet the qualifications. If a bidder submits a bid using another format, qualifications can be verified using form [5450-9, Citizenship Affidavit](#) to verify citizenship and age of majority. A State government agency website that registers business entities in each State can be used to verify a legal business and authorized representatives of the business. A corporate bidder can also present a verifiable company designation letter to the authorized officer to verify they are authorized to bid on behalf of the corporation. Refer to [illustration 1](#) for a list of common websites to verify corporations. Use the System of Award Management at <https://sam.gov> as a resource to screen for and monitor suspended or debarred entities. Refer to [illustration 1](#) for a checklist to assist and track verification using this system. Retain the completed checklist in the official contract file.

3. Bid Deposits. All bidders must make a deposit of not less than 10 percent of the appraised value of the forest product upon which they wish to bid. Bid deposits will be rounded to whole dollars. The minimum amount of the bid deposit for each sale is specified in the sale advertisement. Deposits may be made in the form of cash, money order, bank draft, credit card, cashier's check or certified check (made payable to the Department of the Interior–BLM), bid bonds of a corporate surety (shown on the approved list of the U.S. Department of the Treasury), Irrevocable Letter of Credit–Bid Deposit, or an Assignment of Surety Bid Deposit. Current BLM accounting procedures must be reviewed to determine credit card acceptability and the allowable dollar limit per transaction which is typically \$25,000 as established by the Treasury

Department. This transaction limit may be adjusted over time by the Treasury Department. If a personal or company check is used and the check is returned for insufficient funds, the bid would be invalid and any high bidder status of that bidder would be invalid.

a. Preparation of Bid Bond. The Bid Bond, [form 1822-3](#) is prepared by the bidder and surety. The original bid bond is submitted with a sealed bid for a sealed bid sale or at the time of qualifying for an oral auction, which could be by the submission of an advance written bid. Copies of the completed bond form should be retained by the bidder and surety. If the bidder is an individual or a partnership, the bond is signed and witnessed on the lower front side and certified by the corporate surety on the reverse side.

For all timber sales where the bidder is a corporation, the Bid Bond form will be signed by an authorized representative of the corporation and an attestation signature must be placed to the left of the corporate representative's signature. When a corporate surety signs the back of the Bid Bond form, there is no requirement for an attestation signature; however, a properly executed Power of Attorney must accompany the Bid Bond form.

b. Preparation of Irrevocable Letter of Credit. An irrevocable letter of credit (ILC; refer to [illustration 2](#) for a sample format) may be used as a bid deposit when accompanied by an executed copy of form [5450-22, Cash Bid Bond](#). An ILC is similar to a cash deposit and the BLM may draw upon the issuing bank up to the amount stated in the ILC.

(1) There is no standard Bureau form for an ILC; rather, an ILC is prepared by the issuing bank on its business letterhead following a format prescribed by the BLM. The expiry date of the ILC should be 180 days after the forest product sale date. The ILC may only be issued for one sale and must include:

- An identifying number.
- A clear statement that it is irrevocable.
- The purpose of the ILC (such as a bid bond).
- The name of the bank's customer, that is, the bidder.
- The maximum limit of credit. This limit must equal or exceed the amount of the required bid deposit for the sale bid upon.
- An authorization to draw sight drafts on the bank in favor of the BLM.
- A clear statement that the forest product sale number or name appearing on the sight draft is sufficient for honoring the draft.

(2) The authorized officer must review any ILC submitted as a bid deposit to ensure that the minimal information specified in the ILC format is met, that the information is accurate, and that no conflicting information has been added.

c. Preparation of Assignment of Surety. The Assignment of Surety must be executed by the bidder and issuing institution (refer to [illustration 3](#)) and accompanied by an executed copy of form [5450-22, Cash Bid Bond](#). The authorized officer must review the assignment for a bid deposit to ensure the information is accurately recorded and signed by an authorized officer from the issuing institution. Copies should be retained by the bidder and institution. A certificate of time deposit or savings account is the instrument that may be assigned.

4. Special Considerations. Bidders must satisfy the following additional requirements before bidding on advertised sales.

a. Sealed Bid Sale. To qualify for participation in a sealed bid sale (lump sum or scale), the bidder must submit a bid in a sealed envelope for each tract that includes:

(1) The bid written on form [5440-9, Deposit and Bid for Timber/Vegetative Resource](#). Note the advertisement of a sealed bid sale may exclude a minimum bid price and allow for open bidding. If this is not specified in the advertisement, a bid for less than the advertised minimum price will not be considered. When bids for less than appraised price are acceptable to the BLM, the advertisement should clearly state that such bids will be considered. Note that the bid deposit would still be based on 10 percent of the appraised value.

(2) The required minimum bid deposit specified in the forest product sale notice for the tract.

(3) The sealed envelope clearly marked with the words "Bid for Timber/Vegetative Resource," together with identifying tract number and/or name, legal description, and time and date of offer.

b. Oral Auction. To qualify for oral bidding on lump sum or scale contracts, bidders must submit for each tract they desire to bid upon:

(1) A bid written on form [5440-9, Deposit and Bid for Timber/Vegetative Resource](#), for not less than the advertised appraised price on a unit basis per product or species, and total price. The required minimum bid deposit specified in the forest product sale notice for the tract.

5. Small Business Set-Aside. In sales of forest product tracts set aside for preferential award to small business concerns, the bidder must meet additional requirements to qualify for bidding. This applies only to areas where there is an activated set-aside program specific to timber sales such as western Oregon.

a. Self-Certification. A statement must be submitted that shows that the bidder is a small business concern as defined by the Small Business Administration (SBA) in its regulations, set forth in 13 CFR Part 121. The certification is made on form [5430-1, Self-Certification Clause](#). The self-certification statement must accompany the purchaser's bid deposit and be dated with the sale date.



## B. Preparation for Sale.

The authorized officer or a designated sale supervisor conducts public sales (sealed bid, written bid, and oral auction).

1. Sale Room. Prior to the public sale for in person sales, the sale supervisor prepares the following:

a. Escorts or directs bidders to the auction location. An auction location that provides adequate seating/space for the expected number of sale participants that provides an adequate view of the values of any posted bids. Clearly displays the tract name, tract number, species, volumes, unit of measure, appraised price, and bid deposit

b. Completes the heading on form [5440-10, Timber Sale Bid Record](#).

c. Has on hand the sale notice, prospectus, and sale file for each tract offered.

2. Sales Assistance. For sealed bid or oral auction sales, a designated sale assistant, who is an authorized collections officer, does the following.

a. Receives bids as they are delivered. Records receipt of bids, as delivered, on a partially completed 5440-10, Timber Sale Bid Record or an electronic version thereof. For advance written bids, the sale assistant records date and time of receipt on the bid itself, records bids in the order received on the Timber Sale Bid Record, and records the same date and time for advance written bids received in the same mail delivery.

b. Places and maintains all sealed bids and advance written bids under lock and key. Sealed bids must remain unopened until after the time for accepting bids expires as indicated in the advertisement and are opened at the time of auction (bid opening). Advance written bids may be opened, and bids recorded prior to the auction date. All information about sealed bids and advance written bids must be kept confidential until time of auction. The sale assistant delivers all bids to the sale supervisor at the time of auction. When the sale is held at a place other than the BLM office, the sale assistant must remain in the office to receive bids up to the closing time for receipt of bids, at which time the sale assistant must take all bids received to the place of the sale and deliver them to the sale supervisor.

## C. Consideration of Bidder Questions.

During the period of time a tract is in advertisement, questions may be raised by prospective bidders regarding changing the configuration of the tracts or the contract provisions. Examples of this could include extending a season of operations or modification of harvest systems to a different system that would still meet the project objectives and comply with the level of environmental impacts analyzed in the NEPA document. Under no circumstances is a commitment to be made pre-sale that would be inconsistent with the configuration or contract provisions contained in the sale notice and prospectus as this may prompt bid protests. It is also important to ensure that all bidders are given consistent responses to similar questions.

## D. Entering Sale Data into the Timber Sale Information System (TSIS).

The sale definition data will be entered into TSIS and certified prior to the sale date.



### III. SALE PROCEDURES.

Sale procedures relate to the process of conducting a public offering of forest product tracts for sale including bidding instructions, rejections of bids, and waiver of minor bid deficiencies. These procedures apply to the sale of tracts to be sold using both lump sum and scale for payment contracts. When conducting sales, field offices have flexibility in determining the sale procedures (oral bids, written bids, sealed bids) and the species on which bidding will occur. When determining sale procedures consideration should be given to the number of sales held annually, the number of contracts offered, purchaser input, and consistency from one sale to the next and between offices or within an office. Clarity is required in the procedures that appear in the sale notice and in the announcement read by the sale supervisor at the sale.

A. **Types of Bidding.** Bidding at a competitive sale will be by submission of sealed bids, written bids, oral bids, or a combination of bidding methods depending on the sale procedures specified by the authorized officer in the advertisement.

1. **Sealed Bid Sales.** In sealed bid sales, the bidder submitting the highest sealed bid, together with the required bid deposit and other required documents, will be declared the high bidder. In the event of a tie in high sealed bids, the high bidder will be determined by lot (i.e., random drawing) from among those who submitted the tie bids.

2. **Oral Auctions.** To participate in oral auctions, the bidder must satisfy the requirements specified in the Pre-sale Actions section of this handbook together with any other required documents specified in the sale notice. The sale supervisor conducting the public auction will declare an open period prior to oral bidding on each tract, during which bid deposits and written bids may be submitted. Bid deposits and advance written bids may also be submitted any time prior to the open period declared by the sale supervisor for each specific tract offered.

Oral bidding to determine the high bidder will begin from the highest written bid after closure of the submittal period. In the event there is a tie in high written bids and no oral bidding occurs, the bidder who was the first to submit a bid deposit and written bid will be declared the high bidder. If the sale supervisor conducting the auction cannot determine who made the first submission of high tie written bids and no oral bidding occurs, the high bidder will be determined by lot. The declared high bidder must confirm the oral bid in writing immediately after the auction, but failure to do so will not relieve the bidder of the purchase obligation.

B. **Bid Commitment.** Submission of bids is a formal step taken by bidders in seeking award of a contract with the Government. If a bidder submits a qualifying bid and is declared the high bidder, the Government may accept the offer or reject it if the bidder does not qualify for contract award or other circumstances prevent award.

If the Government elects to accept the offer and award the contract, the qualified and declared high bidder will be awarded the contract at the bid price. The authorized officer will provide the successful bidder the contract to be signed and returned together with any required performance bond and payment within the time specified in 43 CFR 5450.1(c). If the bidder fails to comply, the bid deposit shall be retained as liquidated damages. High bids may not be withdrawn without bid-deposit forfeiture unless the Government changes the conditions specified in a sale

advertisement and notice as announced at the public sale prior to award. All bids should be rejected if the high bidder declines the sale with the changed conditions.

C. Opening the Public Sale. When the public sale is opened, the announcements read by the sale supervisor will vary depending on the selected auction procedures and the lands involved. The opening of sealed bids may be open to the public for observation, but typically sealed bid opening is conducted privately with not less than two BLM employees conducting the opening as directed by the authorized officer. For in person public sales, at the time specified in the sale notice, the sale supervisor calls the public sale to order at the time specified in the sale notice and reads the following announcement(s):

"This public sale is held pursuant to a sale notice issued by this office on [date of notice] and is conducted as stated in any instructions to bidders that were included in the sale notice. Cutting and/or removal of material sold shall be carried out under the authorities stated therein."

For lands west of the 100th Meridian in the contiguous 48 States:

"The timber sold under this contract is subject to the Forest Resources Conservation and Shortage Relief Act of 1990, as amended. Except for species determined pursuant to the public hearing to be surplus, unprocessed timber sold shall not be exported from the United States or used in direct or indirect substitution for unprocessed timber exported from private lands by Purchaser or any person as defined in the Act."

For sales that include set-aside tracts:

"For set-aside tracts, the bidder must not have been determined by the Small Business Administration to be ineligible for preferential award of set-aside sales. A self-certification statement must be submitted with the bid that shows that the bidder is qualified as a small business concern as defined by the Small Business Administration in its regulations. The self-certification clause must be dated with today's sale date. Sale award to the high bidder will not be made for a period of five days. During this period, a bidder or other interested party may protest the small business status of the high bidder. If a protest is made, the sale award will be suspended pending determination of the bidder's qualifications by the Small Business Administration. Protests must be submitted in writing."

The sale supervisor should then announce:

"This sale was advertised in [specify newspapers or web address] on [specify date(s)]."

"Sale notices were sent to all on the purchaser list and were also available at the [specify] Office."

"Supplementary information and copies of the proposed sale contract were available for review at the [specify] Office."

"Any or all bids may be rejected and minor deficiencies in the bids or the sale advertisement may be waived when in the Government's interest to do so."

"Prior to the award of any forest product sale, the Bureau of Land Management may require the high bidder to furnish such information as is necessary to determine the ability of the bidder to perform the obligations of the contract. Those bidders who have demonstrated poor performance, including recent contract defaults, may be required to provide additional performance assurances in the form of advance payment and/or an increased performance bond as a condition for award of contract. These additional requirements may be requested on a case-by-case basis."

If the decision has been appealed under 43 CFR Part 4 or a lawsuit has been filed before a federal court, the district must disclose receipt and status of the appeal or litigation to all prospective bidders at the public sale prior to the start of oral bidding or the opening of sealed bids. Any sealed or written bids submitted prior to bidder receipt of written notification of the appeal or litigation may be withdrawn prior to the start of oral bidding or the opening of sealed bids. The high bidder must then sign a form acknowledging notice of the appeal or litigation immediately following the auction to confirm their bid. The following language is an example of what would be announced prior to bidding and what the acknowledgement form would contain. "The forest management decision covering [insert timber sale name], contract Tract number [insert timber sale contract number] [has been administratively appealed to the Interior Board of Land Appeals (IBLA), and/or has a)/ lawsuit filed before a federal court]. [The appellant has also requested a stay of the decision.] [The [IBLA and/or federal court] [may or did not] grant a [stay and/or injunction] suspending the forest management decision.] [The authorized officer will be exercising their discretion to award the contract without waiting for the 45-calendar day period specified in 43 C.F.R 4.21 (b)(4) to run.] Any sealed or written bids submitted prior to bidder receipt of notification of this appeal or lawsuit may be withdrawn prior to the start of oral bidding or the opening of sealed bids. The BLM will proceed with normal bidding on the tract.

Although the BLM does not know at this time what decisions [IBLA and/or the federal court] will issue, the BLM is providing this notice to advise all bidders that significant delays may occur before award of the contract or before any operations may be undertaken. Additionally, an adverse ruling may require the BLM to suspend, cancel, or modify the contract. The high bidder must sign a form acknowledging the notice of this appeal or lawsuit [immediately following the sale of the tract or along with their written bid] to confirm their bid. The authorized officer retains the right to reject all bids associated with this tract" Language to include in the notice of appeal or litigation acknowledgement form:

"To ensure that this notice is understood, the bidders for this contract must sign the acknowledgement below and submit this document to the BLM to confirm the bid. I acknowledge receipt of a copy of this notice and understand that because of [the appeal [and request for stay] lodged with IBLA and/or the lawsuit filed in federal court], any decision to award the [insert timber sale name], contract number [insert contract number] may be significantly delayed, or operations suspended, and that the BLM has authority under 43 CFR 5442.3 to reject all bids if the Government determines it is in the Government's best interest to do so."

Subject to state director approval, if a tract is being offered to salvage timber damaged by fire or other natural or human-caused disaster (refer to 43 CFR 5473.4(d)), the following announcement should be read:

“Tract Number [insert tract number] is being offered to salvage timber damaged by [insert damage agent (i.e., fire or other natural or human-caused disaster)]. The purchaser of this salvage timber sale may be granted a contract extension on a qualifying green BLM sale held by the purchaser [insert with or without] reappraisal upon request.

Mention any other pertinent points of the sale notice that the sale supervisor thinks should be brought to the attention of the bidders.

If an irregularity has been identified in the advertisement, all prospective bidders must be made aware of it and any changes/corrections made due to it and then must be given an opportunity to withdraw any written bids submitted prior to the announcement of the changes/corrections. Should such irregularities occur, read the following paragraph to effect proper bidder notification.

“On Tract Number [specify tract number], [specify the change or correction made necessary due to a minor change or error in the sale advertisement, sale notice, or prospectus] necessitates a [specify the change or correction to the bidding information and/or terms of the contract]. All bidders for that tract must acknowledge that they are aware of the change or correction prior to bidding. Bidders unwilling to so acknowledge may withdraw from consideration any written bids submitted prior to this announcement.”

D. **Bidding Rules.** The sale supervisor explains the bidding procedures as follows.

1. **Sealed Bid Sales.** For in person sealed bid sales, the sale supervisor announces:

"Sealed bids will be opened on each tract in the order in which the tracts appeared in the sale notice [Use the first sentence only if the sale is composed of two or more tracts being offered]. To qualify for bidding, the required bid deposit must be submitted, along with other qualifying documents stipulated in the sale notice. Bids or bid bonds must be on forms provided by the Bureau of Land Management. In the event of a tie in high sealed bids, the high bidder will be determined by lot from among those who submitted the tie high bids."

2. **Oral Auction.** For oral bid auctions, the sale supervisor announces:

"Oral auction will proceed for each tract in the order in which they appeared in the sale notice [Use the first sentence only if the sale is composed of two or more tracts being offered] Written bids submitted prior to the open period for written bids on each separate sale being offered during the oral auction sale are considered advance written bids. To qualify for oral bidding, the required bid deposit must be submitted, a written bid for not less than the advertised appraised price on a unit basis per species or product and total price, along with other qualifying documents stipulated in the sale notice. Written bids, bid bonds, and confirmation of oral bids must be on forms provided by the BLM. Oral bidding begins from the unit prices of the highest written bid. The BLM

exercises an overall system in which each bidder assumes the last highest bid and raises from that point. In the event there is a tie in high written bids, and no oral bidding occurs, the bidder who was the first to submit a bid deposit and written bid will be declared the high bidder. If it cannot be determined who made the first submission of high tie written bids, the high bidder will be determined by lot. The high bidder must confirm the bid, in writing, in [specify location]."

Additional instructions regarding oral bidding may be announced as follows, examples follow:

"Unless there are objections, the maximum time interval between bids will be 30 seconds—time will start as soon as the previous bid has been posted. This time limit is set to expedite sale procedure, but extensions may be granted upon request. A single warning will be given when 10 seconds remain in which to place oral bids. When 30 seconds have passed after the last bid is posted, without bidding or a request for extension of time, the public sale will be closed and no further bidding will be allowed."

"The bidder shall name the firm or individual for whom they are bidding as each bid is made. The bid must state the species or product being bid and the price. For example, Jo Jones Lumber bids \$85.10 per thousand on the Douglas fir."

"The minimum acceptable bid increment is \$0.10 per thousand board feet (or other appropriate increment). Bids in excess of \$0.10 per MBF must be an even multiple of \$0.10."

"Bidding on minor species usually has little effect on the outcome of the public sale. Procedure of the public sale will be greatly expedited by confining your bidding to the major species (or product)."

-or-

"Bidding is limited to [identify a species or product] only."

-or-

"Bidding is on the single weighted average value for all species/products."

"A bidder may request a delay in bidding in order to have a total bid amount calculated."

"A bid once made and accepted by me may not be withdrawn. Bids are accepted when posted [on the white/chalk board] [on the screen through use of the automated auction application]."

"If you have tract questions, please ask them at the time the specific tract in question is offered."

"A recess will be declared at any time the situation warrants."



"Are there any questions on the bidding procedure?"

E. Conduct of Sale Procedure.

1. Sealed Bid Sale. The opening of sealed bids may be open to the public for observation, but typically sealed bid opening is conducted with not less than two BLM employees conducting the opening as directed by the authorized officer. Procedures for conduct of a sealed bid sale are as follows.

a. If sealed bids will be opened in person before the public, the sale supervisor announces each tract to be offered by the tract name (if applicable) and tract number. The sale supervisor then opens each sealed bid submitted for that tract and announces the bidder's name, address, and total bid price.

b. As each bid is opened, the sale supervisor or a sale assistant carefully reviews the bid forms, deposit, and other required qualifying documents to ensure they are in order. As each bid is accepted, it is recorded on form 5440-10, Timber Sale Bid Record.

c. The total price bid in any sealed bid sale is the figure used in determining the highest bid submitted.

d. In the event of a tie in high bids, the high bidder must be determined by lot.

e. If a high bid is received in which there is an error (in multiplication, addition, placement of a decimal, or transposed figures) or if a bidder (due to misunderstanding, confusion of tracts, or other reasons) records a bid different than would have been the case for a fully informed bidder, the sale supervisor must assume that the total price listed on the bid form was the amount the bidder intended to specify. If the high bidder asserts an error was made in their submission, the following alternatives are available.

(1) The bidder can enter into the contract on the basis of the total price actually bid; or

(2) The bidder can forfeit the bid deposit in the amount specified in the sale notice and void the bid commitment (relinquish high bidder status); or

(3) The bidder may present evidence to show that the bid amount was in error. If the bidder satisfactorily proves that an unintentional error was made and the error is of the type for which the General Accounting Office allows relief (refer to Federal Acquisition Regulations at 14.407-2, Apparent Clerical Mistakes), the bidder may be entitled to a refund of the bid deposit. It should be emphasized that a contract cannot be awarded on the basis of an adjustment in the total price bid. Whenever such a situation arises, the authorized officer must retain all bid deposits and forward all of the bids and a report describing the situation, including the authorized officer's recommendation, to the state director or delegated official. The state director or delegated official will advise the authorized officer whether or not both the bid and the bid deposit can be returned to the high bidder who made the error and who is willing to forfeit their high bidder status, but is unwilling to forfeit the bid deposit. Such a bidder can be given no more than 30 days after being declared high bidder to present their case for relief.

(4) If the bidder who made the error elects to enter into the contract on the basis of the actual total price bid, adjustments may have to be made in the unit prices to equal the total price for accounting purposes. Adjustments should be approved by the bidder and noted on the bid form.

f. After evaluating all bids for a specific tract, the sale supervisor announces the high bidder for that tract.

g. After the high bidder is announced, the sale supervisor:

(1) Retains the original of form 5440-9, Deposit and Bid, from all bidders.

(2) Retains the bid deposit and other qualifying documents from the high bidder.

(3) Returns bid deposits and other qualifying documents to all unsuccessful bidders (see section IV.A).

Bidders do not have to be present for the opening of bids. Complete g. 1-3 for non-present bidders via certified letter.

2. Oral Auction. Procedures for conducting an oral auction are as follows.

a. To open the qualifying period for each tract, the sale supervisor first announces the number and name (if applicable) of the tract to be offered. The sale supervisor may then describe the tract in general terms (e.g., location, volume, product, appraised value, special or unusual contract requirements) and the stipulated bid deposit requirements. The sale supervisor must then post all advance written bids in the order received. After this, the sale supervisor announces, "Written bids, deposits, and any qualifying documents will now be received on this tract." The sale supervisor or sale assistant must post all written bids received after the call for bids in the order received following the advance written bids.

b. As each written bid is received, the sale supervisor or sale assistant must carefully review the bid forms, deposits, and any other qualifying documents to ensure every bid is complete. Each written bid must be recorded in the order received on the Timber Sale Bid Record, form 5440-10. Bids are accepted by verbal affirmation of such by the sale supervisor and through posting of the bid.

Deficiencies may be revealed in the review of the bid forms, some of which may be waived as minor. An example of this would be a bid above appraised price on a minor species when the rules expressed in the sale notice indicate bidding is limited to the major species. A bidder may be allowed to manually correct this error on the bid form and the bid may then be accepted and posted.

c. Oral bidding must begin at the unit price(s), by product or species, of the highest written bid submitted. Because it is imperative that oral bidding begin from accurate bid data, the bid with the highest total price must be checked. If the sum of all species fails to match the total bid amount, the sale supervisor should give the bidder an opportunity to adjust the unit

prices to produce the total amount bid. The adjusted unit prices are then posted. The adjusted unit prices must equal or exceed the appraised unit prices. Under no circumstances can the total bid price be adjusted. If the bidder is not present to correct an error of this nature, then bidding must take place on a total consideration basis with minimum acceptable increments established by the sale supervisor. After the bidding is over, or if no bidding occurs, or if a high tie written bid submitted by the absent high bidder (determined by lot) has unit price calculation errors, the sale supervisor must nevertheless assume that the total price listed on the bid form is the amount the bidder intended to specify. The unit prices are then determined pursuant to instructions under sections III.E.1.e and III.E.1.f.

d. After reviewing and posting the written bids, the sale supervisor asks, "Are there any other bidders?" After waiting a reasonable time, the sale supervisor closes the qualifying period by announcing, "The qualifying period for receiving bids on tract number [specify] is closed. I will now receive oral bids." For examples of "overcall" bidding, refer to illustrations 4 and 5. When auction procedures permit bidding on minor species or products and a bid on a minor species or product yields the highest total bid price, the bidder should be asked if they understand that in BLM's overcall bidding process, by submission of a bid on any species resulting in the highest total bid price, they have accepted the high bids submitted for all other species/products up to that point. This is recommended prior to the acceptance and posting of the bid. A computation of the total value at this point may be helpful.

e. A bidder may request a recess, possibly to phone their office for permission to bid above the limit they were given. Such a recess should be granted. However, past experience indicates this is an uncommon occurrence.

f. During oral bidding, the sale supervisor or sale assistant records each bidder's name and amount of bid on the Timber Sale Bid Record, form 5440-10.

g. The sale supervisor or sale assistant computes or checks the calculation of the highest bid and next highest bid, as necessary. The *highest bid* is defined as the highest total price resulting from a computation of per species or product unit multiplied by the highest bids (or appraised value) following the overcall system.

h. If no oral bidding occurs and there is a tie in high written bids, the bidder who was the first to submit a bid deposit and written bid must be declared the high bidder. If the sale supervisor cannot determine who made the first submission, the high bidder must be determined by lot from the high tie bidders.

i. When time remaining for oral bidding expires (the final 10 seconds of the 30 second period since the last bid has passed), the sale supervisor announces that bidding is over and announces the high bidder and the total high bid price (or high bid unit prices when bidding is limited to a single species or a weighted average species or product price).

j. If there is an error in the high written bid not adjusted pursuant to section III.E.2.c, and no oral bidding occurs, the sale supervisor must proceed according to the instructions under sections III.E.1.e and III.E.1.f.

k. After the high bidder is announced, the sale supervisor:

(1) Completes the Oral Bid Made section of the Bid Schedule on form 5440-9, Deposit and Bid, from the high bidder and ensures the high bidder confirms the oral bid on the form.

(2) Retains the bid deposit and other qualifying documents from the high bidder.

(3) Returns written bids, bid deposits, and other qualifying documents to all unsuccessful bidders.

(4) Proceeds to offer additional tracts if additional tracts are to be offered.

F. Rejection of Bids. The sale supervisor may recommend the rejection of any or all bids during a sale when it is in the interest of the Government to do so. During advertised sales, a bid should be rejected in the following situations.

1. Bid Deposit. The bid deposit submitted is less than the required amount.

2. Bid Price. The total bid price does not equal or exceed the advertised total appraised price; provided however, that the advertisement for a sealed bid sale may not specify a minimum bid and may allow acceptance of bids below the appraised price.

3. Qualifying Documents - Set-Aside Sales. The bidder for a small business set-aside fails to submit a properly completed Self-certification Clause, form 5430-1.

4. Sales Involving Resale of Forest Product. In the resale of timber remaining from an uncompleted forest product sale contract, no bid will be considered from any person, or from an affiliate of such person, who failed to complete the original contract because of cancellation for purchaser's breach; or who failed to complete payment of the total purchase price and any related charges by the expiration of time for cutting and removal. As used herein, "person" means an individual, partnership, corporation, or association; and "affiliate" means a person who controls or is controlled by another person.

G. Waiver of Minor Deficiencies. The sale supervisor is authorized to waive minor deficiencies in the bids or sale advertisement when it is in the interest of the Government to do so. As a guideline, a minor deficiency is one that would not inordinately delay the sale, nor would it be likely to change the outcome of the sale. Examples of deficiencies are:

1. Irregularity in Bid Submission. In the event a situation should occur wherein advance written bids or sealed bids are submitted to qualify for bidding but the required bid deposit or other qualifying documents are missing, the sale supervisor may permit the deficiency to be remedied prior to posting or announcing the sealed bids and prior to receiving any oral bids. The reasons for, and the circumstances surrounding, any failure to meet qualifying requirements should be recorded and the award of contract must be delayed until the matter has been reviewed with the authorized officer.

2. Irregularity in Bidding. In the event an irregularity in bidding occurs and there is some question as to which bidder will be considered the high bidder, all sealed or written bids,

deposits, and other qualifying documents will be retained by the sale supervisor until the matter is reviewed by the authorized officer and a final decision reached. A determination by the sale supervisor that review by the authorized officer is necessary, which suspends further action during the public sale, will be announced at the public sale.

3. Irregularity in Advertisement. Where there is a minor change or error in the sale advertisement, sale notice, or prospectus, the sale supervisor will announce the change or correction. All bidders for that tract must acknowledge that they are aware of the change or correction prior to bidding. Bidders unwilling to so acknowledge may withdraw their bids from consideration; their bid deposit must be returned.

H. Closing the in-person Public Sale. When all tracts have been offered, the sale supervisor announces that the public sale is closed for all tracts for which a high bidder has been announced. The sale supervisor also advises as to the date of the next scheduled public sale. In the case of no-bid tracts, or tracts that did not receive any bids on the sale date, the presence of bidders may present an opportunity to informally query as to the reason(s) the tract received no-bids.

1. No-Bid Tract. For tracts that received no bids at auction, bidding may be held open for a period not to exceed 90 days in accordance with special rules of advertising set forth at 43 CFR Section 5443.1 and the instructions set forth in [section V](#) of this handbook.

2. High Bidder Not Announced. A tract for which a high bidder is not announced because of irregularities in bidding will remain open until the high bidder is determined or all bids are rejected. No additional bids will be received on these tracts.

3. Small Business Set-Aside Tracts. Bidders on small business set-aside tracts are required to file a self-certification statement on BLM form 5430-1 that they are a qualified small business concern. If no bids are received for a SBA set-aside tract, the auction may be held open for bidding under the 90-day sale provisions (refer to [section V](#)). When an SBA tract is held open for bids under the 90-day sale provision, businesses of any size classification may submit a bid.

#### IV. POST-SALE ACTIONS.

Following the sale supervisor's declaration of the high bidder for the advertised tract and confirmation of the high bid, the authorized officer or sale supervisor must take appropriate actions with the bid deposits and fulfill sale reporting requirements.

A. **Bid Deposits.** The sale assistant (or collection officer), who assists with the public sale, processes bid deposits received.

1. **High Bidder Deposit.** The bid deposit is retained pending acceptance of the high bid and award of contract by the Contracting Officer. Except for corporate surety, ILC, and Assignment of Surety bid bonds, such deposits may subsequently be applied to the purchase price of the contract.

2. **Other Bidder Deposit(s).** The bid deposit is normally returned to all unsuccessful bidders after the apparent high bidder is declared. Deposits will be returned directly to the unsuccessful bidder(s) after the auction or by mail (refer to [illustration 6](#)). When a bid deposit in the form of cash, money order, bank draft, credit card, cashier's check, certified check, irrevocable letter of credit, or assignment of surety is returned personally on the day of the sale, the unsuccessful bidder(s) must sign for receipt of the deposit on the Timber Sale Bid Record, form 5440-10. Return of a corporate surety bid bond must be duly recorded by the collection officer on the same bid record form. For collection and handling procedures regarding bid deposits, refer to BLM Collections, Manual Section 1372.33.A.2.

B. **Reporting Requirements.**

1. Prior to the close of business on the day of the auction, notify the state office forestry program lead of the auction results in the agreed upon format.

2. Enter sale results including those for no-bid sales into TSIS no later than two days following the public sale or approval date for negotiated sales.

3. Immediately following the auction, notify the public of official sale results by posting sale results on a BLM website or by other effective means determined by the authorized officer (see example notice [illustration 7](#)).

4. Where applicable, provide SBA set-aside sale results to the state office forestry program lead.



## V. NINETY-DAY SALES.

This section describes the advertising and sale procedures for 90-day sales.

A. Provisions for 90-day Sales. The 90-day sale provisions authorized at 43 CFR 5443.1 provide the authorized officer an alternative to reappraising and reoffering tracts that receive no bids at the original offering. When an offered tract does not attract bidders, the authorized officer may hold the sale open for bidding for a period not to exceed 90 days. If a sale is held open for fewer than 90-days, for example 30 days, it must be stipulated in the 90-day sale notice. Except for bids received during the required seven-day posting period following the receipt of a bid on a 90-day sale, bids may not be received beyond the stipulated time period without first reappraising and re-advertising the tract.

1. Criteria. Tracts that receive no bids from either sealed bid or oral auction sales may be offered under the 90-day sale process. The authorized officer should consider the reasons for a no-bid result and judge whether the sale price is an accurate estimate of the market value; additionally, input should be solicited from prospective purchasers to determine if there are particular design features in the contract that unacceptably reduce the contract's economic viability. If either of these reasons are deemed to be the cause of the no bid, an expedited contract revision and/or reappraisal and reoffer should be considered rather than a 90-day sale.

2. Restrictions. Sales that have been advertised but withdrawn before the scheduled sale date or sales that have been bid upon but where such bids have been rejected, are not eligible for offering as 90-day sales.

3. Abandonment of Set-Aside Status. For regular SBA set-aside tracts that receive no bids, promptly offer the sale as an up to 90-day sale open to all bidders without modification or adjustments to the sale terms except for removal of the set-aside provisions.

Under the 90-day sale provisions, limiting the sale period to a stipulated 30-days is recommended. Remove all set-aside references, clauses, and forms from the sale notice and prospectus, but do not make any modifications or adjustments to the sale terms or reduce the price. As a 90-day sale, bids may be received from both small and large business concerns and the sale awarded to the high bidder without concern for business size standards. This stipulation must be made clear in the 90-day sale notice.

When a SBA set-aside sale receives no bids at the auction and is held open for bidding under the 90-day provision:

a. The 30/70 Rule Does Not Apply. SBA regulations at 13 CFR 212.507, including the 30/70 rule for delivery of sawtimber, no longer apply to regular set-aside no-bid sales held open under the 90-day sale authority. SBA form 723 is not required.

B. Ninety-Day Sale Procedure. Processing rules under the 90-day authority apply to both sealed bid and oral auction no-bid tracts.

1. Advertising Procedures.



a. Announcement. At the end of a scheduled regular in-person sale, the sale supervisor may announce the availability of no-bid tracts for bidding under the 90-day sale authority.

b. Special Sale Notice. The office prepares a special sale notice. The special notice contains reference to the expiration date (not to exceed 90 days) for submission of written bids. The time period begins on the day of the initial sale offering; the expiration date for submitting bids should be included. The notice will also describe in general terms the procedure for submitting bids including instruction to use form 5440-9, and the bidding procedure in the event more than one bid is submitted. The special sale notice is distributed as follows.

(1) A copy is posted in a conspicuous place in the office where bids are to be submitted.

(2) Additional copies may be mailed or emailed to all addresses on the forest product sale purchaser list.

(3) Notice is posted on a BLM website.

## 2. Accepting Bids.

a. Receipt of First Written Bid. Upon receipt of a written bid for not less than the advertised price, together with the required bid deposit and any qualifying documents stipulated in the sale notice, the office reviews the bid and other documents for accuracy. If errors are found, the bidder is advised immediately to make the necessary corrections, or the bid cannot be accepted. The office will record, on the face of the bid form, the date and time a valid bid is received.

b. Advertising Receipt of Bid. The office prepares and posts a notice of receipt of bid immediately after receipt of the first valid bid (refer to [illustration 8](#)). This notice is posted with the 90-day sale notice.

(1) The notice of receipt of bid must not reveal the bid price.

(2) The notice of receipt of bid must stipulate the time period in which other bids may be received. The period of posting for the first bid received will continue for seven successive days, terminating at the close of business on the seventh day (or the following workday if it is a weekend or holiday).

c. Care of Bids Received. Received written bids must be kept confidential until the time of the expiration of the posting period.

## 3. Determining the High Bidder.

a. One Bidder. If only one bid is received and no other bids are received during the seven-day posting period, the authorized officer or sale supervisor will notify the bidder that the office will begin processing the award of contract.

b. Notification should be made as soon as possible after the close of business on the seventh day (or next day of business).

c. More than One Bidder. If one or more bids are received during the seven-day posting period following the initial bid submission, an oral auction is required among the qualified bidders that submitted bids. The authorized officer notifies the qualified bidders by certified mail (with return receipt requested) of the time and place of an oral auction to decide the high bidder (see [illustration 9](#)). Allow a reasonable period of time, not to exceed 10 days, before conducting the oral auction. If the BLM has not received the return receipts from the certified letters sent to the qualified bidders prior to the date of the oral auction, confirm by telephone or email that the qualified bidders received such notification prior to proceeding with the auction.

d. Conduct of Oral Auction. The oral auction will be held in the same manner as discussed for the oral auction of advertised tracts, except the sale supervisor must also announce the date the first bid was received and the date the seven-day posting period expired. If, after inviting oral bids, no bids are received, the bidder with the high written bid will be declared the high bidder. If there is a tie in the high written bids, the bidder who first submitted the high bid will be deemed the high bidder. If it cannot be determined who submitted the first of the high tie written bids, the high bidder will be determined by lot.

C. Withdrawal of 90-Day Sale. Except when a bid has been submitted that triggers a posting period, the authorized officer may withdraw a 90-day sale at any time within the time period for the sale stipulated in the special Notice. A withdrawal notice should be distributed to all prospective purchasers on the forest product sale purchaser list.

D. Reporting Requirements. Enter sale results into TSIS no later than two days following either, (1) the seven-day posting period when there is only one bidder, or (2) the oral auction when there is more than one bidder.



**GLOSSARY OF TERMS**

90-day sale. An advertised sale for which a tract that receives no bids at the original auction may be held open for bids for up to 90-days under authority granted by 43 CFR 5443.1.

Administrative remedy. The processes delineated in 43 CFR Subpart A–General; Office of Hearing and Appeals and 43 CFR Subpart 5003–Administrative Remedies, including decision notification, whereby a member of the public can appeal a decision of forest product sales to the Interior Board of Land Appeals.

Advance written bids. Written bids submitted prior to the call (open period) for any additional written bids on each separate tract offered during an oral auction sale.

Advertisement. Consists of the legal ad(s) published in a newspaper or on a BLM website as supplemented by the sale notice and prospectus.

Authorized Officer. Any employee of the BLM to whom has been delegated the authority to take action in the conduct of sales, in BLM’s delegation manual, or in BLM regulations.

Export. The transporting or causing to be transported, either directly or through another party, unprocessed timber to a foreign country. Export occurs on the date that a person enters into an agreement to sell, trade, or otherwise convey such timber to a person for delivery to a foreign country. If the date in the preceding sentence cannot be established, export occurs when unprocessed timber is placed in an export facility for preparation, including but not limited to, sorting or bundling, and container loading, for shipment outside the United States, or when unprocessed timber is placed on board an oceangoing vessel, rail car, or other conveyance destined for a foreign country, port, or facility.

Oral auction sale. An offering of forest product where written bids are received and oral bids are invited from qualified bidders.

Public sale. The event identified in the sale notice where forest products will be auctioned. Public sales occur on a specified date and commence at a specified time during which sealed bids are opened (sealed bid auction), or written bids are received and oral bidding may transpire (oral auction), and a high bidder is declared if a qualifying bid or bids are received.

Sale notice. A document, supplemental to the newspaper advertisement, that provides prospective bidders with detailed information about the scheduled public sale such as bidding requirements, and pertinent information about each tract offered for sale.

Sale supervisor. The Bureau of Land Management employee designated by the authorized officer to conduct public sales of forest products.

Sealed bid sale. An offering of forest product where sealed bids are received from qualified bidders and the high bidder is determined by the highest sealed bid received.

Set-aside sale. A designation of timber for sale that is limited to bidding by small business concerns as defined by the Small Business Administration in its regulations (13 CFR Part

121) under the authority of Section 15 of the Small Business Act of July 18, 1958, (72 Stat. 384) as codified and amended (15 U.S.C. 631 et seq.).

Sight Draft. A [check](#) or other [draft](#) that is [payable](#) to the [payee](#) when it is presented by the payee to the appropriate party. A sight draft differs from a [time draft](#), which is not payable until a stated date in the future.

Unprocessed timber. Trees or portions of trees or other roundwood not processed to standards and specifications suitable for end product use. The term "unprocessed timber" does not include timber processed into any one of the following: (i) Lumber or construction timbers, except Western Red Cedar, meeting current American Lumber Standards Grades or Pacific Lumber Inspection Bureau Export R or N list grades, sawn on 4 sides, not intended for remanufacture; (ii) Lumber, construction timbers, or cants for remanufacture, except Western Red Cedar, meeting current American Lumber Standards Grades or Pacific Lumber Inspection Bureau Export R or N list clear grades, sawn on 4 sides, not to exceed 12 inches in thickness; (iii) Lumber, construction timbers, or cants for remanufacture, except Western Red Cedar, that do not meet the grades referred to in clause (ii) and are sawn on 4 sides, with wane less than ¼ of any face, not exceeding 8¾ inches in thickness; (iv) Chips, pulp, or pulp products; (v) Veneer or plywood; (vi) Poles, posts, or piling cut or treated with preservatives for use as such; (vii) Shakes or shingles; (viii) Aspen or other pulpwood bolts, not exceeding 100 inches in length, exported for processing into pulp; (ix) Pulp logs, cull logs, and incidental volumes of grade 3 and 4 sawlogs processed at domestic pulp mills, domestic chip plants, or other domestic operations for the primary purpose of conversion of the logs into chips, or to the extent that a small quantity of such logs are processed, into other products at domestic processing facilities

**ILLUSTRATION 1- STATE GOVERNMENT WEBSITES FOR VERIFYING CORPORATIONS AND DEBARMENT CHECKLIST**

- [California – Secretary of State](#)
- [Colorado – Secretary of State](#)
- [Idaho – Secretary of State](#)
- [Montana – Secretary of State](#)
- [Oregon – Secretary of State](#)
- [Wyoming – Secretary of State](#)

Verification that an Entity is Not Federally Suspended, Debarred, Voluntarily excluded, or Otherwise Ineligible Checklist

The BLM must complete this checklist prior to issuing a contract or approving an assignment or transfer to an entity for a contract.

**Name of Entity:** \_\_\_\_\_

**Name of Principal(s):** \_\_\_\_\_

- Step 1: Navigate to SAM: [SAM.gov](https://sam.gov)
- Step 2: Select the Search Tab.
- Step 3: Select Entity Information in the Domain Information.
- Step 4: Select Exclusions in the Entity Information.
- Step 5: Query for the entity and principal(s)<sup>1</sup> acquiring interest in a Federal property (individual who submits a proposal for or who enters the transaction, including an agent or representative).
- Step 6: Copy results of SAM.gov query for entity below:
- Step 7: Copy results of SAM.gov query for principal below:

---

<sup>1</sup> A principal is the entity’s officer, director, owner, partner, or other person with management or supervisory responsibilities related to the transaction. *Refer to*, 2 C.F.R. § 180.995.

- Step 8: [Select Responsibility / Qualification in the Entity Information.](#)  Step 9: Query for the entity and principal(s) acquiring interest in a Federal lease or agreement (individual who submits a proposal for or who enters the transaction, including an agent or representative).
- Step 10: Copy results of query for entity below:
- Step 11: Copy results of query for principal below:
- Step 12: Print out this page and file it with the decision on the lease, assignment, or transfer.

**ILLUSTRATION 2- FORMAT FOR IRREVOCABLE STANDBY LETTER OF CREDIT**

(Letterhead of Issuing Bank)

IRREVOCABLE STANDBY LETTER OF CREDIT – BID BOND

Date: \_\_\_\_\_

Letter of Credit Number: \_\_\_\_\_

Beneficiary:

United States Department of the Interior

Bureau of Land Management

(District Office Name) \_\_\_\_\_

(P.O. Box or Street Address) \_\_\_\_\_

(City, State, Zip Code) \_\_\_\_\_

Amount: \$ \_\_\_\_\_

Dear Contracting Officer:

We hereby establish this irrevocable standby letter of credit in your favor for account of: (Name and Address of Bidder) \_\_\_\_\_ in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) available by your draft drawn on the issuing bank at sight accompanied by a signed statement from the Bureau of Land Management stating the following:

“We hereby certify that (Name of BLM Bidder) has been awarded the bid on (BLM Sale Name and Number) and has failed to complete further contractual documents in accordance with the terms and conditions of 43 Code of Federal Regulations 5450.1(c).”

SPECIAL CONDITIONS:

This credit expires at the counters of the issuing bank on (ninety (90) days after sale date). This credit is subject to the "Uniform Customs and Practice for Documentary Credits, (2006 Revision)" International Chamber of Commerce, Publication No. 600, or any further revision thereof. We hereby engage with drawers, endorses and bonafide holders that drafts and documents will be duly honored upon presentation.

(Name of Issuing Bank) \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)





**ILLUSTRATION 3- FORMAT FOR ASSIGNMENT OF SURETY BID DEPOSIT**

**ASSIGNMENT OF SURETY FOR BID DEPOSIT**

The undersigned Owner, and Co-owner if any, of the herein described Certificate of Time Deposit/Savings Account ("deposit") hereby assigns his, her, or their right, title and interest in, to or under said "deposit" to the U.S. Department of the Interior, Bureau of Land Management, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

Such amount shall be for the purpose of the bid deposit specified in the sale notice for the \_\_\_\_\_ timber sale, contract No. [insert number]. The Bureau of Land Management, U.S. Department of the Interior, shall be authorized to charge against the described "deposit" should the undersigned owner(s) be awarded the bid and fail to complete further contractual documents in accordance with the terms and conditions of 43 Code of Federal Regulations 5450.1(c). Any interest earnings shall remain the property of the Owner. It is agreed the issuing institution will hold the "deposit" in trust for the uses and purposes stated above until released by the Bureau of Land Management, U.S. Department of the Interior. Time deposits shall be automatically renewable at maturity dates at the rates and terms in effect at the time of renewal.

Type of deposit: \_\_\_\_\_

Account number: \_\_\_\_\_ Effective date: \_\_\_\_\_

Signature(s) \_\_\_\_\_

Signature(s) Guaranteed by: \_\_\_\_\_

Title: \_\_\_\_\_

Acknowledged and Recorded: \_\_\_\_\_

Issuing institution: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

**Release of Assignment**

The Bureau of Land Management, U.S. Department of the Interior, hereby releases all right, title and interest in, to and under the form of deposit described in above Assignment.

Dated: \_\_\_\_\_

Bureau of Land Management

By: \_\_\_\_\_

Title: \_\_\_\_\_

Cc: Owner/Co-owner

Issuing Institution



**ILLUSTRATION 4- EXAMPLE OF OVERCALL BIDDING – BIDDING MAJOR SPECIES**

The written bids were posted as follows:

TOTAL ESTIMATES SALE NAME Humbug Salvage #3 TRACT NO. GL-5

\$ Value		SPECIES	Douglas-fir	P. Pine	W. Fir	Hemlock	I. Cedar	
65,222.65								
VOLUME:	553	MBF	482	23	30	2	16	TOTAL WRITTEN
BIDDERS		R/MBF	121.85	171.85	14.75	29.15	127.35	BID
C & G Lbr. Co.			Appraised	Appr.	Appr.	Appr.	Appr.	65,222.65
Little River Lbr.			“	“	“	“	“	“
Johnson Tbr. Co.			“	“	“	“	“	“
Robin Dollar Co.			“	“	“	“	“	“
Supine Tbr.			“	“	“	“	“	“
Suntip Co. Mtn.			“	“	“	“	“	“
Fly Lbr.			“	“	“	“	“	“
Red Skeels			122.00	“	“	“	“	65,294.95
Beck F. Watts			122.85	“	“	“	“	65,704.65

1st Oral Bid. The high written bid was from Beck F. Watts. Oral bidding began from the unit prices established by that bid. In over-call bidding, each bidder accepts all the unit prices established from the previous bid and bids from that point. If no oral bids were received, Beck Watts would be declared high bidder.

2nd Oral Bid. After some bidding activity, Robin Dollar made the final bid of \$138.00/MBF on the Douglas-fir (there was no bidding on the minor species). That bid was then posted as follows, time was called, and Robin Dollar Co. was declared the high bidder:

Robin Dollar CO.	138.00	Appr.	Appr.	Appr.	Appr.	73,006.95 (Total oral bid)
------------------	--------	-------	-------	-------	-------	-------------------------------



### ILLUSTRATION 5- EXAMPLE OF OVERCALL BIDDING – BIDDING MIXED SPECIES

NOTE:	All written and oral bids are posted as follows:				
TOTAL ESTIMATES	Sale Name:		Werner Creek		
	Total Value	\$349,994.25			
	Species				
	Douglas-fir	W.Hemlock	Noble fir	W. redcedar	Total
Volume in MBF	1,472	427	370	103	2,372
Appraised Value	\$179	\$79	\$89	\$190	\$349,994
<i>Step 1:</i>	<i>Three bidders qualify with written bids as follows:</i>				
Bidder	Douglas-fir	W.Hemlock	Noble fir	W. redcedar	Total
Western Sawmill	\$180.00	Appraised	Appraised	Appraised	\$351,393
Value Construction	Appraised	\$100.00	Appraised	Appraised	\$358,897
Cable Logging	Appraised	Appraised	\$150.00	\$200.00	\$373,459
<i>Step 2:</i>	<i>In over-call bidding each bidder accepts all the unit prices established from the previous high bid and bids from that point. In this example, Cable Logging submitted the high written bid; therefore, oral bidding begins from the unit prices established by that bid as follows:</i>				
High written bid	\$179	\$79	\$150	\$200	\$373,459
<i>Step 3:</i>	<i>Oral bidding occurs</i>				
Western Sawmill bids \$200.00/MBF on the Douglas-fir	<b>\$200.00</b>	\$79.00	\$150.00	\$200.00	\$404,233.00
Cable Logging bids \$160.00/MBF on the Noble fir	\$200.00	\$79.00	<b>\$160.00</b>	\$200.00	\$407,933.00
Value Construction bids 105.00/MBF on the hemlock	\$200.00	<b>\$105.00</b>	\$160.00	\$200.00	\$419,035.00
Cable Logging bids \$200.00/MBF on all species	<b>\$200.00</b>	<b>\$200.00</b>	<b>\$200.00</b>	<b>\$200.00</b>	\$474,400.00
Western Sawmill bids \$205.00/MBF on the Douglas-fir	<b>\$205.00</b>	\$200.00	\$200.00	\$200.00	\$481,760.00
Value Construction bids 210.00/MBF on the hemlock	\$205.00	<b>\$210.00</b>	\$200.00	\$200.00	\$486,030.00
Cable Logging bids \$201.00/MBF on the Noble fir	\$205.00	\$210.00	<b>\$201.00</b>	\$200.00	\$486,400.00
Value Construction bids \$215.00/MBF on the hemlock	\$205.00	<b>\$215.00</b>	\$201.00	\$200.00	\$488,535.00
Cable Logging bids \$210.00/MBF on the noble fir	\$205.00	\$215.00	<b>\$210.00</b>	\$200.00	\$491,865.00
Western Sawmill bids \$250/MBF on the Douglas-fir	<b>\$250.00</b>	\$215.00	\$210.00	\$200.00	\$558,105.00
Cable Logging bids \$225.00/MBF on the Noble fir	\$250.00	\$215.00	<b>\$225.00</b>	\$200.00	\$563,655.00
<i>Step 4:</i>	<i>There is no further bidding -- time is called and Cable Logging is declared the high bidder with the posted unit prices established with the last bid.</i>				



**ILLUSTRATION 6- MODEL LETTER FOR RETURN OF BID DEPOSIT**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

(Bidders Name)  
(Bidders Mailing Address)  
(Bidders City, State, Zip)

Dear (Preferred Salutation):

Your bid for the purchase of timber sale tract (number and name) located in (legal description) offered for sale by this office on (date) was not successful. Accordingly, your (deposit or bid bond) submitted with your bid is returned.

A contract is being awarded to (name of high bidder) for a total bid price of (\$      )

Sincerely,

Contracting Officer

Enclosure





**ILLUSTRATION 7- EXAMPLE OF NEWS RELEASE – RESULTS OF TIMBER SALE**

FOR IMMEDIATE RELEASE

TIMBER SALE RESULTS

The Eugene District of the Bureau of Land Management held its regular monthly timber sale on September 30 with only one tract of timber being offered.

There were three qualified bidders for the Hardy Creek Thinning timber sale which is located in Lane County. Retro Timber was the high bidder for the estimated 3,327 thousand board feet of timber which was appraised at \$1,364,070.00. The Douglas-fir sold for \$623.00 per thousand board feet and the total sale bid was \$2,072,721.00. Roughhouse Lumber and Springs Forest Products were the unsuccessful bidders.

The next regular timber sale for the Eugene District is scheduled for October 29, 2009, at 10:00 a.m. at the Eugene District Office, 3106 Pierce Parkway, Springfield, Oregon.



**ILLUSTRATION 8- MODEL NOTICE OF RECEIPT OF BID**

**NOTICE OF RECEIPT OF BID**

Springs Timber Company, Inc.

has submitted a bid together with the required deposit, for the purchase of Tract OR080-TS2006-0101, Plenty Aqua, on September 19, 2006. Written bids may be submitted, together with the required bid deposit, until the close of business on September 25, 2006.

[Field Office] Field Manager



**ILLUSTRATION 9- MODEL LETTER NOTIFYING BIDDER OF ORAL AUCTION**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

(Bidders Name)

(Bidders Mailing Address)

(Bidders City, State, Zip)

Dear (Preferred Salutation):

This is to advise that more than one bid has been received on the 90-day Sale, Tract No. (number and name); therefore, it will be necessary to hold an oral auction on (day of the week, date and time of day), at this office, to determine the successful bidder.

Sincerely,

\_\_\_\_\_  
Field Manager