

# IDAHO DEPARTMENT OF LANDS



## Auctioned Sale Bidding Procedures

*The State of Idaho does not warrant the volume, quality or grade of the forest products listed, the accuracy of any estimate of field conditions, construction or harvest costs, or any other pre-bid documents prepared by the State. The purchaser has the opportunity to inspect the forest products and sale area and should rely on their own examination and appraisal of the timber sale offered. The descriptions, volumes, and values prepared by the State are for determining advertised prices only. The forest products are conveyed "as is."*

All purchasers of IDL sales of timber, except sole proprietors, must register their business with the Idaho Secretary of State. All documents for ALL sales--including the contract, bonding instruments, and insurance certificates--must use the purchaser's name and address identical to the Secretary of State business registration.

### BIDDER QUALIFICATIONS

Any person, party, or corporation can bid on an auctioned sale provided:

- They are at least 18 years of age.
- They are not delinquent with payments on existing state contracts at the time of sale.

### BIDDER RESPONSIBILITIES

1. Day of Sale - Prospective bidders must present a certified check, bank draft, or bid bond payable to TREASURER, STATE OF IDAHO, in the amount of 10% of the estimated net sale value as a bid deposit to be held in a non-interest-bearing account for the life of the contract.

Acceptable bid bond forms include surety bid bond, cash, and cashiers or certified bank check. Surety bid bonds must be submitted a minimum of three **business** days prior to the auction date for review and approval. Submit surety bid bonds to:

Idaho Department of Lands  
3284 W. Industrial Loop Coeur d'Alene ID 83815 or  
email: IDL\_Timber\_Bureau@idl.idaho.gov

or email to: [sdunsmore@idl.idaho.gov](mailto:sdunsmore@idl.idaho.gov), [dwelch@idl.idaho.gov](mailto:dwelch@idl.idaho.gov); and  
[jshawver@idl.idaho.gov](mailto:jshawver@idl.idaho.gov)

The State Board of Land Commissioners reserves the right to reject any and all bids provided that good and sufficient grounds for rejecting the bid shall be stated in the rejection notice and shall not be in violation of applicable law.

2. Within 10 days of the day of sale - The successful bidder will:
    - Pay 10% of the net selling price to be held in a non-interest-bearing account for the life of the sale.
    - Provide cash replacement of surety bid bonds used to purchase the sale.
-



- Assign final prices to appropriate species.
3. Within 30 days of the day of sale - The successful bidder will:
    - Provide an acceptable performance bond (surety, letter of credit, certificate of deposit, or cash) in the amount of 15% of the net sale value.
    - Register with the Idaho Secretary of State as a business entity in Idaho if not already registered.
    - Sign contract.
  4. Before Beginning Sale Operations - The successful bidder will:
    - Provide an acceptable payment bond in the amount of the estimated value of timber to be harvested in the next 90-day operating period, or a cash deposit in an amount equal to the value of the timber to be harvested from a cutting unit.
    - Provide acceptable insurance.

#### BIDDING PROCEDURE SAWLOG SALES – SCALED SALES

1. Sawlogs (including cedar products and pulp when their removal is mandatory) will be bid on the sale's gross value per MBF
2. Bidding will start at the advertised gross value per MBF. For purposes of bidding, this value will be rounded up to the nearest whole cent.
3. The minimum acceptable bid raise will be ten cents per MBF.
4. The successful bidder will assign the overbid to the species of their choice (including cedar products and pulp when their removal is mandatory) within 10 days of the sale date. This is subject to the following constraints:
  - The overbid will be apportioned to the various species or products up to a maximum of twice the value of the overbid. Final prices must be rounded to the nearest whole cent. Prices will be assigned once for the life of the contract.
  - Prices must be apportioned so the sum of the price extensions (**PRICE X VOLUME**) equals or exceeds the bid gross sale value.
  - Optional products and species or products with no volumes listed will remain at the advertised prices.

#### BIDDING PROCEDURE SAWLOG SALES - WEIGHT SALES

1. Sawlogs (including cedar products and pulp when their removal is mandatory) will be bid on the sale's gross value per ton. One rate for all species.
  2. Bidding will start at the advertised gross value per ton rate.
  3. The minimum acceptable bid raise will be five cents per ton.
  4. Optional products will be sold lump sum. All optional products will be sorted and hauled separately or they will be paid for at the sawlog ton rate.
-



**ADDITIONAL INFORMATION**

Additional information regarding timber sales may be obtained from the Idaho Department of Lands office offering the timber sale and from the Department's Timber Sale website at:

<https://www.idl.idaho.gov/timber-sale-advertisement-app/>

General information about the Department of Lands, including rules and statutes governing the Department, can be found at our Department's website at:

<https://www.idl.idaho.gov/>

---



# IDAHO DEPARTMENT OF LANDS



## Timber Sale Procedures

*The State of Idaho does not warrant the volume, quality or grade of the forest products listed, the accuracy of any estimate of field conditions, construction or harvest costs, or any other pre-bid documents prepared by the State. The purchaser has the opportunity to inspect the forest products and sale area and should rely on their own examination and appraisal of the timber sale offered. The descriptions, volumes, and values prepared by the State are for determining advertised prices only. The forest products are conveyed "as is."*

### COSTS AND CHARGES

1. Monthly as Billed - The purchaser will pay:
  - a. Stumpage as per the timber sale contract.
  - b. Interest on stumpage values at the rate of 6% per annum from the day of sale to the day of billing.
  - c. Slash Hazard Suppression at the contract rate based on stumpage measurement.
  - d. Penalty fees and interest will be assessed for late payments.

Pursuant to Idaho Code Section 67-2026, all payments \$100,000.00 or greater must be paid by electronic funds transfer (EFT) as outlined in the Idaho State Treasurer's Electronic Remittance Guide. Only certified checks submitted as bid deposits at a timber sale are exempt from this law. The purchaser, may at his option, make payments of less than \$100,000.00 by EFT. Purchasers must be signed up with the Idaho State Treasurer's Office before they can make EFT payments. This process takes approximately 30 days. Purchasers must provide payment information to the Coeur d'Alene Office at least five business days prior to making any EFT payment. All EFT payments must be made on or before the billing due date or late penalties will be assessed. Additional information for EFT procedures is available upon request.

2. Development Credits

The recovery of development credits shall be allowed on all forest products that are billed at the rate of 75 percent of each load value, until the total amount of development credit has been recovered by the Purchaser.
3. Insurance

Upon execution of the contract, the Purchaser shall furnish full copies of insurance policies showing proof of current coverage to the State. Insurance coverage must meet the requirements outlined in the "Responsibility" term of the contract. The Purchaser will keep in force all required insurance until termination of the contract.
4. Additional Information

Additional information regarding a sale may be obtained from the Idaho Department of Lands office offering the timber sale and from the Department's Timber Sale website at:

<https://www.idl.idaho.gov/timber-sale-advertisement-app/>

General information about the Department of Lands including rules and statutes governing the Department can be found at:

<https://www.idl.idaho.gov/>



**DIRECTOR'S OFFICE**  
300 N 6th Street Suite 103  
PO Box 83720  
Boise ID 83720-0050  
Phone (208) 334-0200  
Fax (208) 334-5342



**STATE BOARD OF LAND COMMISSIONERS**  
*Brad Little, Governor*  
*Lawrence E. Denney, Secretary of State*  
*Lawrence G. Wasden, Attorney General*  
*Brandon D. Woolf, State Controller*  
*Sherri Ybarra, Sup't of Public Instruction*

**ELECTRONIC FUNDS TRANSFER**  
(Requirement for Payments of \$100,000.00 or greater)

**IDAHO CODE 67-2026**

**Idaho Code 67-2026** requires that amounts payable to the State of Idaho must be paid by electronic funds transfer made through the Automated Clearing House system (ACH) whenever the amount paid or payable is \$100,000.00 or greater.

**Idaho Code 67-2026A** defines the interest and penalty for failure to use electronic funds transfer.

You may make electronic payments using ACH Credit or Wire Transfer using our banking information below:

Wells Fargo Bank, NA  
877 W. Main St.  
Boise, ID 83702

ABA or Routing/Transit Number (RTN)  
121000248

Bank Account Number  
5130000259

Account Type: Checking

Payment must be made in US funds.

Please provide information such as a customer name and number, lease or timber sale number or other information to identify your payment.

*"Trusted Stewards of Idaho's Resources, from Main Street to Mountaintop"*



# IDAHO DEPARTMENT OF LANDS



## Bond Requirements

Performance and payment bonds may be in one of the following forms:

1. Surety Bond – Only bonds executed on the Department form will be accepted. An agent licensed in the state of Idaho must countersign the bond form if the insurer is from out of state unless the state has reciprocity with Idaho.
2. Letter of Credit – A letter of credit shall be irrevocable, issued by institutions or through a correspondent bank authorized to do business in Idaho, and the account party on the letter of credit must be identical to the Purchaser. Only letters of credit using the Department format and exact wording are acceptable. The financial institution may elect to type it on their letterhead.
3. Certificate of Deposit (Standard style with a negotiable document) – Made payable to: "the Purchaser or the Treasurer, State of Idaho" (e.g. "*Smith Logging or Treasurer, State of Idaho*"). Only certificates of deposit (CD) using the Department format and exact wording are acceptable. All CDs must be automatically renewable. The treasurer's office will hold this certificate for the life of the sale. To ensure that funds are not released without the State's permission, the bank or other financial institution will complete a "Pledged Security Letter" provided by the State. The Pledged Security Letter will be prepared by the Bureau for both timber and salvage sales. If a Purchaser wishes to submit a CD which is not in the Purchaser's name, then a collateral bond form will be executed documenting that the certificate of deposit is tied to the specific sale.
4. Time Deposits & Non-Standard Certificate of Deposit Accounts (no negotiable document produced) – Financial institutions are frequently developing new savings plans using time deposits (TDs) and CDs. There appears to be no standard format for these transactions. They vary from bank to bank and state to state. Often, no formal and negotiable document (CD) is produced, only a receipt. In such cases, the TD or CD will not be acceptable to the State unless it can meet the following criteria:

The Purchaser has no access to the funds while they are posted as a bond to the State. The State must formally release its interest in the funds before any party, except the State, may access them. To ensure this requirement is met, the bank or financial institution must complete a "Pledged Security Letter" provided by the Bureau. Interest on the account will accrue to the Purchaser or to the owner of the account, not to the State.

The State can make "a draw" on the account at any time without hindrance from the financial institution and without concurrence of the Purchaser. Generally, the State will require that a withdrawal can be made at any Idaho branch of the bank in question, or a bank address within the state of Idaho.

All TDs or CDs must be automatically renewable.

If a Purchaser wishes to submit a TD or CD which is not in the Purchaser's name, then a collateral bond form will be executed documenting that the instrument is tied to the specific sale. Items 1 - 3 above also apply.

5. Cash (a collateral bond form must be executed if a check is submitted from someone other than the Purchaser).





## IDAHO DEPARTMENT OF LANDS

### Insurance Requirements for Timber & Direct Sales

The following documents are required to be on file with the Idaho Department of Lands (Scaling Clerk, Coeur d'Alene office) upon execution of State timber sale or direct sale contracts and certain permits. Please note sale operations may not begin and load tickets will not be released to the Purchaser until all insurance requirements are met. Per contract, specific insurance coverages must be in place until termination of all contracts with the State.

#### 1. **COMMERCIAL GENERAL LIABILITY INSURANCE**

- A full copy of the Commercial General Liability insurance policy must be submitted. An ACORD form, certificate, or declarations on its own will not suffice.
- Minimum Limits of Liability:  
\$1,000,000 per Occurrence  
\$2,000,000 Aggregate
- The policy must include an Additional Insured Endorsement, or equivalent, listing the Idaho Department of Lands as an additional insured on the policy. The following language should be used: "The Department of Lands, its agents, officials, employees and the State of Idaho".
- The policy must include a Logging & Lumbering Operations Coverage Endorsement (Logger's Broad Form), or equivalent, offering property damage coverage and fire suppression costs for fire caused by operations.
- The policy must include language or endorsement specifying it as primary insurance.

#### 2. **AUTOMOBILE LIABILITY INSURANCE**

- A full copy of the Automobile Liability insurance policy must be submitted. An ACORD form, certificate, or declarations on its own will not suffice.
- Autos Needing Coverage:  
**Any Auto or Owned Autos, Non-owned Autos, and Hired Autos.** Scheduled autos can be covered in the place of "owned autos" with the requirement that the Purchaser provide a list of scheduled autos that includes all autos that will be on the sale area.
- Minimum Limits of Liability:  
\$1,000,000 Combined Single Limit

#### 3. **WORKERS' COMPENSATION INSURANCE**

- Certificate of insurance covering Purchaser's employees.
- If exempt, a workers compensation exemption affidavit must be filed for each sale, permit, or easement.

#### 4. **OTHER INFORMATION**

- Insurance company providing coverage must be authorized to conduct business in the State of Idaho.
- All insurance policies and certificates must be signed copies.
- Policies, endorsements, certificates or other documentation may be submitted via any of the following:

**Email:**  
[SMcCormick@idl.idaho.gov](mailto:SMcCormick@idl.idaho.gov)

**Mail:**  
Shannon McCormick  
Idaho Department of Lands  
3284 W. Industrial Loop  
Coeur d'Alene, ID 83815

**Fax:**  
Attn: Shannon McCormick  
208-769-1524

Any questions, please contact Shannon McCormick: [SMcCormick@idl.idaho.gov](mailto:SMcCormick@idl.idaho.gov) or 208-666-8641





STELJON-01

RIHO

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/3/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

ED

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER <b>Johnson, Kendall &amp; Johnson, Inc.</b> 109 Pheasant Run Newtown, PA 18940	(215) 968-4741	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A : <b>Granite State Insurance Company</b> INSURER B : <b>The Hartford</b> INSURER C : INSURER D : INSURER E : INSURER F :	FAX (A/C, No): NAIC #
INSURED <b>State Timber Company Corporation</b> P.O. Box 670 701 River Avenue Coeur d'Alene ID 83816			

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC		86478158	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> comp/coll ded. <input checked="" type="checkbox"/> 1,000/1,000		39ABS20702	7/1/2012	7/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	39WBR0701	7/1/2012	7/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

## CERTIFICATE HOLDER

## CANCELLATION

Idaho Department of Lands  
3284 W. Industrial Loop  
Coeur d'Alene 83815-

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2010 ACORD CORPORATION. All rights reserved.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED PRIMARY COVERAGE

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SCHEDULE

**Name of Person or Organization:**

**Idaho Department of Lands  
it's Agents, Officials, Employee's  
and the State of Idaho**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**SECTION II — WHO IS AN INSURED** is amended so your coverage shall be limited to the extent of your negligence or fault according to the applicable principles of comparative fault. to include as an additional insured the person or organization shown in the Schedule subject to the following provisions:

1. The additional insured is an insured but not for liability directly resulting from:
  - a. your ongoing operations or the additional insured whether the work is performed by you or for you; or
  - b. the general supervision of your ongoing operations by the additional insured.
2. This insurance does not apply to:
  - a. "Bodily injury" or "property damage" arising out of any actual commission of, or for defects in design furnished by or for, the additional insured or
  - b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

A person's or organization's status as an additional insured under this endorsement ends when your operations for that insured are completed.

No coverage will be provided if, in the absence of this endorsement, no liability would be imposed by law on

The insurance provided will not exceed the lesser of:

- a. The coverage and/or limits of this policy, or
- b. The coverage and/or limits required by the contract, agreement or permit.

With respect to the insurance afforded the additional insured, paragraph 4. of **SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted and replaced by the following:

#### 4. Other Insurance

- a. This insurance is primary and noncontributory, and our obligations are not affected by any other insurance where the additional insured is the Named Insured, whether primary, excess, contingent, or on any other basis; however, the defense of any claim or "suit" must be tendered as soon as practicable to all other insurers which potentially provide insurance for such claim or "suit".
- b. This additional provision applies only to the additional insured shown in the Schedule and the coverage provided by this endorsement.



COMMERCIAL GENERAL LIABILITY  
CG 86 02 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LOGGING OPERATIONS  
BROAD FORM  
PROPERTY DAMAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to logging or mill operations conducted by or for you, or operations incidental thereto, the following applies:

**1. FIRE FIGHTING EXPENSE**

We will pay any fire fighting expense incurred others for which you are legally liable. Such expense must have been incurred because of fire resulting from an "occurrence" directly connected with logging or mill operations conducted by or for you.

The limits of insurance or any deductible applicable to "property damage" applies to this coverage. This provision shall not operate to increase the limit of our liability.

**2. VEHICLES — TIMBER**

Exclusions J.(4) and J.(5) of Paragraph 2. Exclusions of Section I — Coverage A — Bodily Injury and Property Damage Liability do not apply to:

- a. trucks, trailers or railroad cars while being loaded or unloaded;
- b. timber lands, standing timber and felled or bucked timber.

**3. ADDITIONAL EXCLUSIONS**

This insurance does not apply to:

- r. personal property in your possession for sale, storage, processing, safekeeping or repair;
- s. any person other than you or your employees while vehicles used in logging or mill operations are being loaded or unloaded.

**4. DEDUCTIBLE**

- a. Our obligation under the Property Damage Liability Coverage to pay damages on your behalf applies only to the amount of damages in excess of \$250 each occurrence.

The limits of insurance applicable to "each occurrence" for such coverage will be reduced by the amount of such deductible. "Aggregate" limits for such coverage shall not be reduced by the application of such deductible amount.

- b. The deductible applies to all damages because of "property damage" as the result of anyone "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".
- c. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
- d. The terms of the insurance apply irrespective of the application of the deductible amount.

**5. WARRANTIES**

You warrant that:

- a. Slash shall be burned only at such times and under such conditions as the proper State or Federal officials may approve, direct or provide;
- b. All felling and bucking of timber, the operation of logging equipment and the loading and unloading of logs shall be completely suspended when such suspensions are directed by the proper State or Federal officials.

A breach of the above warranties shall render the insurance afforded hereunder null and void for the period of the breach, unless such breach is beyond your control.