

A PROSPECTUS FOR THE OPERATION OF A ROUGH MILL AND WOOD SHOP FACILITY

**U.S.D.A. FOREST SERVICE
Northeastern Area State & Private Forestry
Wood Education and Resource Center
301 Hardwood Lane
Princeton, Mercer County, West Virginia 24740**

MAY 1, 2012



Wood Shop
(Available)
10,000 SF

Office & Training Facility
(Not Available)

Rough Mill
(Available)
42,674 SF

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I. Introduction

OVERVIEW OF THIS OPPORTUNITY

This prospectus or request for proposal is issued to solicit applications for a Special-Use Permit that would allow the use of the rough mill (42,674 SF) and / or wood shop (approximately 10,000 SF) facilities co-located with the USDA Forest Service's Wood Education and Resource Center (WERC) in Princeton, West Virginia under special use authority. This facility is unique in that it is:

1. Co-located with an educational organization (WERC)
2. Approximately 1/4 mile from a USDA Forest Service research facility focused on forest products processing and utilization research
3. Approximately 3/4 mile to a major interstate highway (I-77) exit.

The intent is to issue the permit to an individual or entity that will use the facilities for light to medium manufacturing, preferably wood/forest products. Other potential uses such as education, warehouse space and non-wood products industries will be considered. Individuals or entities submitting proposals should indicate if their proposal is for the rough mill, wood shop, or both facilities. Proposals should indicate if each of the facilities' appropriate government-owned equipment is included in the proposal. Equipment not included will be removed from the facility by the government. While all proposals will receive consideration, those that take advantage of proximity to the WERC and Forest Service research facilities and/or contribute to the well-being of the local community in ways, such as job creation, will receive additional consideration.

The rough mill (42,674) and Wood Shop (10,000 SF) are well-equipped, modern facilities with all the necessary electrical and dust collection systems in place. The major pieces of processing equipment are described in Section II. Major equipment/machines are in operational condition but no guarantee is made by the government as to the condition of the equipment/machines. The equipment/machines in the appropriate facilities are offered "as-is" to potential permit holders. On-site inspection of the facilities will be held for interested parties by appointment. Forest Service personnel will be available to explain the terms and conditions of the Special-Use Permit. Those interested in viewing the facility should contact Steve Milauskas (304 487-1510) at the WERC to schedule an inspection time during the specified period. Interested parties will be sent a confirmation of their appointment.

The Special-Use Permit will be issued for a term of 20 years. The permit will expire no later than 12/31/2032. The permittee may terminate the Special-Use Permit by providing a minimum six months advance notice to the Authorized Forest Service Official (AFSO) in a written letter.

Applicants must submit a business plan as part of their proposal (see Submission of Application section on page 3) by November 1, 2012. The results of the selection process will be announced and a tentative selection made by November 15, 2012.

Applicants should understand the following:

- All applicants have an equal opportunity to apply.
- Except for Members of Congress, Resident Commissioners, and current Forest Service employees, any U.S. citizen or U.S. majority-owned company or entity may apply.
- The Forest Service does not guarantee a profitable operation; rather applicants are responsible for reviewing the prospectus and making his/her own determination concerning business viability.
- The Forest Service is not obligated to accept the application with the highest monetary return to the Government.
- The Forest Service reserves the right to issue the permit based on the total rating received as described in Section V.
- The Forest Service reserves the right to issue the permit based solely on initial applications, without oral or written discussions.
- The Forest Service reserves the right to reject any or all applications.
- The Forest Service reserves the right to rescind the prospectus at any time before the permit is issued.

The information in this prospectus is from generally reliable sources, but no warranty as to its accuracy is made. The Forest Service cannot ensure a profitable operation to the successful applicant. Each applicant is encouraged to make an economic appraisal of the opportunity offered by this prospectus.

ANNUAL PERMIT FEE

In consideration for the use of Forest Service facilities and equipment, the successful applicant agrees to pay a fee to the USDA Forest Service. **No minimum annual fee for the WERC rough mill or wood shop will be set by this solicitation.** The Forest Service reserves the right to reject offers considered financially inadequate. The proposed annual fee for the WERC rough mill and/or wood shop facilities should be stated as a flat fee. Payment of the permit fee will be required monthly in advance of the authorized use, and should be paid by the 15th of the previous month without demand.

INSTRUCTIONS FOR SUBMITTING APPLICATIONS

All written proposal packages must be submitted to: *Rough Mill and Wood Shop RFP*, C/O USDA Forest Service, Wood Education & Resource Center, 301 Hardwood Lane, Princeton, WV 24740, no later than **4:00 P.M. EST, November 1, 2012**. If a proposal is sent electronically by e-mail, senders must not assume receipt by the government unless a confirmation is received sent by the government. It is the responsibility of the sender to contact the receiving Forest Service office if a confirmation of proposal receipt is not received. Additional details concerning mailing of proposals are found in Appendix A. **The proposal must specify which facility/facilities are sought: rough mill, wood shop or both.**

Applicants must submit five copies of their proposal and supporting documents. Unless requested in writing to return the proposal, all unsuccessful applicants' proposals and supporting documents will be destroyed after the appropriate appeal period. Portions of the selected applicant's package will become part of the Special-Use Permit.

Each proposal that is submitted will be evaluated according to criteria contained in this document and a "score" assigned. If information is missing or incomplete, the result will be a lower score with respect to the evaluation criteria to which the information pertains. Please ensure that all requested items are submitted. Companies or corporations submitting an application must sign using the name of the appropriate executive officer that has legal signing authority, together with the official address. An individual should sign his/her name and furnish the business address.

The requirements of this prospectus shall not be modified by any oral statement made by a representative of the United States Department of Agriculture, Forest Service. If it is determined that an error or omission has been made, or additional information is required, a written amendment will be sent to each person receiving a copy of this prospectus.

In the event that a contradiction exists between this prospectus and the Special-Use Permit, the Special-Use Permit terms supersede the prospectus.

Submission of Application

The applicant's submission should consist of two separate components: the Proposal and the Business Plan.

The Operating Proposal

The proposal should be a written document that addresses and describes in detail the applicant's proposed operation of the rough mill and/or wood shop facilities. As a minimum, the proposal should address all the items listed in the outline below:

- I. Operations Introduction (mandatory) General description of the type of business proposed for the rough mill and/or wood shop facilities including: products manufactured (indicate if any are wood/forest based), services provided, materials stored and/or warehoused, on-site retail or wholesale operations, etc.
- II. Operating Requirements (mandatory)
 - A. General Terms
 1. Insurance
 2. Safety Inspections
 3. Electrical and Dust Collection Systems
 4. Security
 5. Fire Suppression and Alarm Systems
 6. Incident Reporting
 7. Emergency Response
 8. Truck Delivery and Shipment

- B. Staffing
 - 1. General
 - 2. Staffing Hours and Schedules
 - 3. Supervision/Management/Personnel
 - 4. Employee Conduct
 - C. Facility and Equipment Responsibilities
 - 1. Operating Expenses
 - a. Electrical Service
 - b. Telephone
 - c. Water and Sewage
 - d. Natural Gas
 - e. Fuel
 - f. Janitorial Services
 - g. Garbage and Refuse Removal and Disposal
 - h. Dust Collection
 - i. Offal and Wood Waste
 - j. External Housekeeping
 - k. Permittee Equipment Maintenance and Reconditioning
 - 2. Other Responsibilities
 - a. Alarm Inspections
 - b. Forest Service Inspections
 - c. Return of Facilities to the Forest Service
 - D. Granger-Thye Offset Agreement (see page 14 for definitions)
- III. Operating Preferences (optional)
- A. Professional Tours
 - B. Operation Demonstrations
 - C. Research
 - D. Government owned machine use (if retention is included in the proposal).

Each of these items is described in more detail in Section III Operating Standards.

The Business Plan

The second major part of the proposal that applicants will submit is a business plan. Applicants are required to submit a Business Plan using the format outlined below as a minimum. (Additional information regarding Business Plan requirements are provided in Section IV Business Plan Requirements and Appendix B Business Plan Format.

Guidelines

The Business Plan will be used to evaluate the applicant's financial and technical ability. It and all financial information and projections are confidential information, and may not be released by the Forest Service, to the extent allowed in the Freedom of Information Act and Privacy Act, 5 U.S.C. 552 and 552a, respectively.

Business Plan Format

The minimum requirements for the Business Plan are as follows:

- 1. Documentation of Business, Company, or Organization Submitting Proposal (Include official Federal Tax Identification Number and name, if exists).

2. Type of Business Operation (what products produced/stored and/or services rendered-indicate if any wood/forest based)
3. List of All Business Partners With A Direct Interest In Proposal
4. Narrative Description of Who Will Perform the Work
5. Description of Business Experience
6. Financial Resources
7. Marketing Plan and Strategy
8. Estimated Fee to the Government

The following are recommended items for inclusion in the applicant's Business Plan, and are **not** required as part of the proposal. **The following items will, however, be required of the successful applicant before a final selection is made:**

9. Payment History/ Credit References
10. Cash Flow Projection for the Proposed Period of Operation
11. Income Projection by Month For the Proposed Period of Operation

OVERVIEW OF SELECTION PROCESS

A selection panel made up of knowledgeable and experienced Forest Service personnel will evaluate each proposal package. Appendix E lists how points are assigned in each category. Preference will be given to a wood/forest products facility. The following selection criteria will be used to rank proposals:

1. Operating Proposal (addresses each item listed in Operating Requirements found in Section III)
2. Business Plan and Business Experience
3. Fee to the Government
4. Operating Preferences (optional services of community-based, educational, and/or research nature found in Section III)

The Forest Service will not conduct a Financial Assessment Determination (FAD) on all proposals received. All applicants, however, must submit completed Financial Statement Form (FS 6500-24) and a Request for Verification Form (FS6500-25) as part of the proposal. These two forms can be found in Appendix C. **The FAD will be made only on the selected applicant, as a prerequisite to permit issuance.**

EVENT TIMELINE

Prospectus Release	May 1, 2012
Inspection of Facilities and Equipment (by appointment)	May – October 2012
Proposal Deadline	November 1, 2012
Tentative Selection Announcement	November 15, 2012
Estimated Availability	December 1, 2012

II. Description of the rough mill and facilities

FACILITIES

The available rough mill, built in 1996, is a 42,674 square-foot facility with all the necessary electrical and dust collection systems in place. The facility consists of lumber and product storage, and processing areas. The interior is well lighted with halogen lamps and heated with gas-fired space heaters. Connected to the manufacturing area are four offices and a meeting room. Both manufacturing and office areas are equipped with automatic fire suppression systems (sprinklers) that meet state and local fire codes.

The facility is equipped with nominal 460 volts, 3-phase power with some additional circuit breaker panel capacity available.

The rough mill is located within approximately ¼ mile of Interstate 77 at 301 Hardwood Lane, Princeton, WV, and has easy access to I-77 via Mercer Springs Road.

EQUIPMENT

A summary of the available rough mill equipment follows:

- Nissan Lift Truck
- Yates American Double Rough Surfacers
- Mereen-Johnson gang rip saw with BMI Compu-Rip Optimizer
- BMI Turbo Wonder saws (two saws with rough mill manager computer)
- Weinig High Speed Moulder
- Timesavers Widebelt Sander
- 13 Slot Taylor Opti-Sizer
- 40 Section Taylor Clamp Carrier
- SCMI Double End Tenoner
- Whirlwind Chop Saw
- Koger Air Dust Collection System
- Gardner Denver 75 HP Air Compressor
- Williams Patent & Crusher No-Nife Hog
- Western Machinery/Pneumatics Finger Joiner

The available shop facility, built in 1994, is an approximately 10,000 square-foot facility with all the necessary electrical and dust collection systems in place. The facility consists of lumber and product storage, and processing areas. The interior is well lighted with halogen lamps and heated with gas fired space heaters. Connected to the manufacturing area are offices and a meeting room. Both manufacturing and office areas are equipped with automatic fire suppression systems (sprinklers) that meet state and local fire codes.

The facility is equipped with nominal 460 volts, 3-phase power.

The wood shop is located within approximately ¼ mile of Interstate 77 at 301 Hardwood Lane, Princeton, WV, and has easy access to I-77 via Mercer Springs Road.

A summary of the available shop equipment follows:

- Nissan Lift Truck
- Weinig High Speed Moulder, Unimat 668
- Taylor Clamp Carrier
- Air Dust Collection System
- Other planers, sanders, and saws
- Ingersoll-Rand Air Compressor
- Dust Trailers (two)
- Accu-Router CNC router, Series 111
- Spray booth
- Dry Kiln, mini

It is emphasized that the individual or entity submitting the proposal should indicate which of the above listed equipment they propose to use as part of their proposal. Equipment may be listed as all, none, or individual items listed. Equipment not included in the selected applicant's proposal will be removed from the facility prior to occupation of the facility by the government.

III. Operating Standards

OPERATIONS INTRODUCTION

Provide a general description of the type of business proposed for the rough mill and/or wood shop facilities including: products manufactured (indicate if any are wood/forest based), services provided, materials stored and/or warehoused, on-site retail or wholesale operations, etc.

OPERATING REQUIREMENTS

Operating requirements are the specific operating practices, standards, and expectations that are required as a condition of this solicitation. Many of these requirements are mandated by Federal, State, or local laws, regulations, ordinances, or established administrative procedures.

The applicant's proposal should be a written document that addresses and describes in detail the applicant's proposed operation of the rough mill and/or wood shop facilities.

At a minimum, the operating proposal should address all the operating requirements of this solicitation. Specifically, the applicant should describe in writing how their operation of the rough mill and/or wood shop facilities would accomplish or address each item listed below under the subheadings of: 1) General Terms; 2) Staffing; 3) Facility and Equipment Responsibilities; and 4) Granger-Thye Offset. The following description provides additional details concerning the operating requirements.

In addition to describing how their operation of the rough mill facility would accomplish the four major subheadings in the operating requirements, proposals should contain a specific statement agreeing to all the terms and conditions listed within the four major subheadings of the operating requirements. If the applicant does not agree to all the terms and conditions contained within the four major subheadings, such exceptions should be clearly stated in their proposal. **Applicants should know that proposed major deviations from the terms and conditions stated within the operating requirements section may reduce the score received during the evaluation of the applicant's proposal.**

GENERAL TERMS

Insurance

The permit requires that the successful applicant must indemnify the United States for any losses incurred by the United States associated with the use of equipment and building by the permittee.

The successful applicant will be required to obtain liability insurance (\$2.0 million) and property insurance (\$2.0 million) which will remain in full force and effect during the term of the permit. These amounts may be reduced if only one facility is sought.

The permit requires successful applicants to obtain casualty insurance. Casualty insurance will be required to cover Government property and Government owned improvements.

Safety Inspections

The permittee will be expected to perform and document monthly safety inspections. Documented high risk conditions will be corrected prior to use by permittee.

Electrical and Dust Collection Systems

Electrical and dust collection systems (DCS) will be maintained to meet applicable state and local regulations. Modification of electrical and DCS systems made by the permittee will be performed according to applicable state and local regulations. Major modification of existing electrical and DCS systems will need to be approved by the Authorized Forest Service Official.

Security

The facility shall be locked and secured during non-business or non-operating hours. Facility security alarms shall be on and functioning during non-business or non-operating hours.

Fire Suppression and Alarm Systems

The facility fire suppression and alarm system shall be on and functioning during all hours.

Incident Reporting

The permittee will be responsible for reporting incidents of injuries resulting in lost time, acts of vandalism, theft, and destruction of Government property. The report shall be made to the Authorized Forest Service Official within 24 hours of the time that such acts are discovered. In addition, the permittee will be responsible for reporting any occurrence of water damage to the facility or equipment within 24 hours of the time that such damage is discovered.

Reporting incidents to Forest Service Officials does not absolve the permittee from adherence to all local, state, and federal regulations.

Emergency Response

The operating proposal should describe how the applicant will respond to emergency situations. Include information on operating office hours, availability of staff during all operating hours, employee training (including first aid and CPR training) and supervision, and communication systems to be used to make contact with the County Sheriff and other emergency and law enforcement agencies.

Truck Delivery and Shipment

The proposal should indicate the expected type, quantity and hours of commercial truck traffic. Please indicate if weekend and night traffic is anticipated.

STAFFING

General

The permittee (successful applicant) will be responsible for furnishing all personnel with personal protective equipment, and for adequately training and supervising their activities while performing under the provisions of this permit.

The permittee must meet the requirements of State and Federal laws governing employment, wages, worker safety, etc. Applicable laws include, but are not limited to, laws governing equal opportunity, civil rights, fair labor standards, minimum wage, workers compensation, OSHA regulations, ADA, and immigration laws regarding employment of noncitizens.

Staffing Hours and Schedules

Specific staffing hours and schedules must be specified in the operating proposal. The permit will not specify staffing hours and schedules nor limit operating hours. However, local noise and nuisance ordinances, and community standards, if any, will apply should evening or nighttime operations be considered.

Supervision/Management/Personnel

The permittee must designate a site manager who will serve as the liaison between the permittee and the Forest Service and have full authority to act on the terms of the special-use permit. The expectation is that the site manager or designee will be on-site during normal business hours on a daily basis and must be available to resolve facility or equipment repair needs and to resolve personnel conflicts/issues.

The proposal must describe the management structure including the number of shift foremen required, the skills, abilities, and training site managers and shift foremen either possess or will receive. The proposal must also specify company policies concerning a code of conduct for employees, and detail the company's procedures for taking disciplinary action if required.

The proposal must specify the number of shifts that will be employed and the minimum number of employees on each shift.

Employee Conduct

The permittee is responsible for the conduct of his/her employees. They are expected to comply with all applicable Federal, state, and local laws, and to conduct themselves on the grounds of the rough mill or in the vicinity of the Wood Education and Resource Center in a businesslike and professional manner at all times. Behavior that impacts the ability of the WERC to project a positive and businesslike climate conducive for professional education will be strictly prohibited. The permittee will make employees aware that the special-use permit does not shield them from prosecution if they violate any laws, either while performing their duties or while on their own time. Federal prohibitions include, but are not limited to:

- Engaging in conduct prohibited by the *Code of Federal Regulations* (36 CFR 261).
- Using, or being under the influence of, intoxicating beverages or narcotic drugs while on duty or representing the permittee.

FACILITY AND EQUIPMENT RESPONSIBILITIES

Responsibilities of the Permittee

Operating Expenses

The permittee will be responsible for all operational expenses incurred from day-to-day operation of the rough mill and/or wood shop, and applicants should include *estimated* costs for them in their proposal. These expenses may typically include but may not be limited to:

Electrical Service

The permittee will be responsible for power consumption charges, including peak period charges. Charges incurred for modifications to allow additional power or phase requirements beyond those initially available at the facility will be negotiated with the Authorized Forest Service Official.

Telephone

The permittee will be responsible for providing telephone service to the facility. This includes telephones, fax machines, and all telephone bills at the facility, including initial connection fees, monthly line charges, and monthly local service and long distance charges.

Water and sewage

The permittee will be responsible for all water and sewage charges to the permitted facility during the special-use permit period.

Natural Gas

The permittee will be responsible for all natural gas charges at the facility, including connection or reconnection charges.

Fuel

The permittee will be responsible for all fuel purchases, including those required for lift truck operation.

Janitorial Services

The permittee will be responsible for providing janitorial services to the appropriate mill facility during the special-use permit period.

Garbage and Refuse Removal and Disposal

The permittee will be responsible for the periodic removal of garbage and refuse to a permitted disposal facility such as a municipal landfill, and for all fees, hauling costs, and fines associated with the removal and disposal of garbage and refuse.

Dust collection

The permittee will be responsible for maintaining dust collection cyclones and bag houses to operating standards. This will include the periodic emptying of dust containers, trucks, bins, bags or other wood dust collection receptacles in an acceptable manner, and replacement with a similar but clean or empty dust collection receptacles.

Offal and wood waste

The permittee will be responsible for the periodic removal of offal, wood dust, and wood waste from the rough mill facility. This material may be disposed of in a municipal landfill, or marketed to another industry that can use it. Land application will not be an acceptable form of reuse. The permittee will be responsible for all fees, hauling costs, and fines associated with offal and wood waste removal.

External housekeeping

The permittee will be responsible for all costs associated with helping to maintain the appearance and housekeeping of the facility to an acceptable visual standard of cleanliness and upkeep. This will include, but may not be limited to, removing trash and litter from grounds and parking lot; limiting the storage of pallets, crates, drums, or other containers outside the facility; storing offal and wood waste in approved containers, periodically emptying same so they do not overflow; and not storing lumber outside the facility.

Any housekeeping issues that materially impact the ability of the WERC to maintain a professional and businesslike decorum is strictly prohibited.

Permittee Equipment Maintenance and Reconditioning (M&R)

The permittee, at his/her expense, will be required to perform permittee maintenance and reconditioning under a permittee M&R Plan developed with the Forest Service. The equipment maintenance portion of the M&R Plan will follow the maintenance schedule recommended by the equipment manufacturer. A sample permittee M&R plan is found in Appendix E, and becomes part of the Annual Operating Plan.

The permittee assumes responsibility for all maintenance and reconditioning on the provided rough mill equipment during the special-use permit period. Permittee maintenance and reconditioning are activities that do not materially add to the value of the equipment. The work serves only to keep the equipment in an ordinary, efficient and accurate operating condition. This includes periodic routine maintenance, replacement of worn or broken parts, and required periodic servicing to keep all equipment in operational order. Examples include, but are not limited to, motor replacement, scanner and sensor replacement, air or hydraulic cylinder replacement, press roller replacement, saw sharpening and replacement, cutter head sharpening and replacement, sanding belt replacement, drive belt or gear replacement, filter replacement, preventative maintenance, lubrication of motors, oiling, greasing, servicing, inspecting, adjusting, tightening, aligning, interior painting, repair of broken windows, light bulb replacement, cleaning, unplugging drains, minor water system repairs, and general snow removal. The permittee will be responsible for all expenses associated with all equipment maintenance and reconditioning.

Prior to the issuance of the special-use permit, the successful applicant will be given the opportunity to thoroughly inspect all equipment jointly with Forest Service personnel, and upon reaching consensual agreement with the Forest Service representative, mark inspection sheets regarding the condition of the equipment. The Forest Service reserves the right to document the equipment condition by video taping the inspection process.

Equipment and systems that are an inherent part of the facility's physical plant (i.e. fire alarm and suppression; security alarms; heating) will be maintained by the government.

Negligence or Abuse: Damages to the facility or equipment resulting from negligence or abuse are the sole responsibility of the permittee to repair at the permittee's expense. Approval for the repair of damaged facilities or equipment should be secured from the Appropriate Forest Service Officials prior to initiating repair. The repair of damaged facilities or equipment should be initiated within 5 days by the permittee or within 3 days of being notified by the Authorized Forest Service Official. The USDA Forest Service and the permittee shall agree, in writing, to a procedure to be employed in the event that damaged facilities or equipment pose a serious threat to human safety or creates the potential for additional damage to facilities or equipment. This agreement shall become part of the final Special Use Permit.

Other Responsibilities

Alarm Inspections

The on-site alarm system must be inspected and tested quarterly. The government and its contractor will require access to conduct quarterly inspection and tests of fire suppression and security alarm systems and provide documentation of inspection to the Authorized Forest Service Official.

Forest Service Inspections

The Forest Service reserves the right for periodic inspection during operating hours. Quarterly joint safety inspections will be held between the permittee and Authorized Forest Service Officials.

Return of Facilities to the Forest Service

At the end of the term specified by the Special-Use Permit, the facility interior and equipment, including restrooms, offices, manufacturing areas, and rough mill equipment, will be returned to the Forest Service in an equal or improved condition from when initially received for use, less normal wear and tear due to normal operating conditions. An inventory of the facility and equipment will be jointly prepared by the permittee and a Forest Service representative prior to and at the conclusion of the Special-Use Permit. The permittee will be responsible for all maintenance and reconditioning costs incurred to restore the equipment and facilities to the condition when initially received for use, less normal wear and tear, as determined by the Authorized Forest Service Official.

GRANGER-THYE OFFSET AGREEMENT

General Description of Purpose

The Granger – Thye Offset Agreement is a government rule that enables the permittee to make major repairs to government facilities as part of a Special Use Permit. Costs for these major repairs are deducted from the annual fee paid by the permittee. Repairs made under the Granger – Thye Offset Agreement must be approved in writing by the Authorized Forest Service Official prior to initiating repairs.

Description of Government Maintenance and Reconditioning

The federal government owns the equipment and structure located at the WERC mill facilities. As owner of this property, it is the Government's intent to ensure the maintenance and reconditioning (M&R) is done to arrest deterioration and appreciably prolong the life of the equipment and structure. All Government M&R is performed at the sole discretion of the Authorized Forest Service Official. Any materials, equipment, or fixtures made a part of the existing Government facility or equipment during the permittee's or Government M&R becomes the property of the United States (this does not include stand-alone equipment brought to the site by the permittee, such as another piece of woodworking equipment).

At the discretion of the Authorized Forest Service Official, Government Maintenance and Reconditioning may include replacement or additions to the equipment and facilities listed in this prospectus.

Portion of Fee to be Offset

The special-use permit fee can be offset by the agreed upon value of Government M&R work completed by the permittee. The Government maintenance the permittee performs will be agreed to by both parties and documented in a Granger-Thye Financial Plan prior to the start of the work. This Government maintenance will generally be of two types: PURCHASE OF REPLACEMENT EQUIPMENT when existing equipment is beyond repair, and PERFORMANCE OF GOVERNMENT M&R TASKS such as reroofing the building, repaving the parking lot, etc. If the permittee agrees to perform Government maintenance, an amount equal to the agreed upon value of the maintenance performed will be subtracted from the fee owed to the Government upon completion of the work.

Major repair of equipment due to failure caused by normal wear and tear and beyond the control of the permittee may qualify for classification as Granger-Thye Offset at the discretion of the Authorized Forest Service Official.

OPERATING PREFERENCES

Operating preferences describe various educational activities that the Forest Service would like to have access to during the term of the Special-Use Permit. As such, these are Forest Service operating preferences, and therefore are **not requirements** placed on the applicants. Certain common areas will be shared by Forest Service employees, Forest Service clients and visitors, other facility tenants, and the facility permit holders. These areas may include: restrooms, shop kitchen, tool room, knife grinding room, template room, storage space, loading dock and parking lots. Applicants will be evaluated on their "fit" within the parameters and culture of the WERC organization and its operating mission. WERC website: <http://www.na.fs.fed.us/werc/>

Due to the proximity of the rough mill and wood shop to the Wood Education & Resource Center and to the Northern Research Station's Princeton Laboratory, if the facility is permitted/leased to a wood/forest products firm, the Forest Service would prefer to maintain some access to the rough mill and/or wood shop for any or all of the following activities:

1. Professional Tours—Tours conducted by Forest Service personnel of the rough mill facility. These would be “show and tell” tours that would not interfere substantially with production operations.
2. Operation Demonstrations—This would be a more in-depth educational activity than the tour described above in which a certain amount of disruption in work flow would occur. For example, certain pieces of equipment might be stopped or slowed to allow Forest Service personnel to explain process function (rarely would occur).
3. Research—This would likely result in total disruption of production operations, and involve Forest Service personnel to collect data on single or multiple processes and/or products. This activity is very unlikely to occur.
4. Some occasional use of government-owned machines / equipment by the government at the discretion of the permit holder for educational or operational requirements. Any usage would be coordinated with the permit holder and scheduled to minimize any interference with the permit holder’s business operations. This activity might occur only once or twice per year for one or two days and should not interfere with permittee operations.

In the proposal the applicant should describe the above Operating Preferences that would be permissible, if any, and the terms and conditions that would apply to the Forest Service in conducting any of these activities. Such terms and conditions could include fees the permittee would charge the Forest Service for Operation Demonstrations or Research activities and the basis for such charges (possibilities include hourly rates, costs reimbursement, costs plus arrangements, not to exceed charges, piece rates, etc.). While an applicant’s unwillingness to do any or all of the above will not preclude them from being a successful applicant, the Evaluation Panel will closely examine each applicant’s willingness to allow educational/research access in their evaluation of the application.

It is emphasized that the Forest Service understands the permittee’s need to maximize production and profitability and will not interfere with the permittee’s right to do so by conducting tours, demonstrations or research without the permittee’s full consent.

Responsibilities of the Forest Service

The Forest Service will be responsible for the maintenance and upkeep of the building exterior, grounds, and parking area, except as noted above concerning exterior housekeeping requirements by the permittee.

Lawn and Plantings

The Forest Service will be responsible for maintaining lawn, planted trees and shrubs to an acceptable visual standard of maintenance.

Roof

The Forest Service will be responsible for the maintenance and upkeep of the roof to protect the building and contents from water leakage caused by rain or snow.

Exterior Walls

The Forest Service will be responsible for normal maintenance of exterior walls such as painting. This does not include responsibility to damage done to walls from interior activities by permittee, or by rolling stock operated by the permittee or its vendors.

Parking for 40 Employees

The Forest Service will provide and maintain in good condition a parking area for 40 cars. Housekeeping of the parking area to an acceptable visual standard, as mentioned above, is the responsibility of the permittee. Although the permittee is responsible for snow removal, the Forest Service may clear sufficient space, at its discretion, to insure some minimum access for safety reasons.

Losses

Neither the Forest Service nor its agents assume any liability for permittee losses, in whole or in part, which might occur as a result of the permittee's access to the rough mill facilities.

IV. Business Plan Requirements

A business plan is essential in starting a business, improving a business, or raising capital, and is a detailed view of the business. Low-cost assistance and training in preparing a business plan is available from Small Business Development Centers (SBDC) located throughout the United States. A list of SBDC's can be found on the web at <http://www.sba.gov/sbdc/> and clicking on the icon labeled "Your nearest SBDC".

Applicants are required to submit a Business Plan using the format outlined below as a minimum. The Business Plan will be used to evaluate the applicant's financial and technical ability. It and all financial information and projections are confidential information, and may not be released by the Forest Service, to the extent allowed in the Freedom of Information Act and Privacy Act, 5 U.S.C. 552 and 552a, respectively. The submitted Business Plan is especially critical for new start-up businesses/organizations that do not have established credit or business histories.

The minimum requirements for the Business Plan are as follows:

1. Documentation of Business, Company, or Organization Submitting Proposal (Include official Federal Tax Identification Number and name, if exists)
2. Type of Business Operation (what products produced/stored and/or services rendered-indicate if any wood/forest based)
3. List of All Business Partners With A Direct Interest In Proposal
4. Narrative Description of Who Will Perform the Work
5. Description of Business Experience (include any wood products manufacturing experience)
6. Financial Resources (Financial Statement, Form FS-6500-24, and Request for Verification, Form FS-6500-25)
7. Marketing Plan and Strategy
8. Proposed Fee to the Government

The following are recommended items for inclusion in the applicant's Business Plan, and are **not** required as part of the proposal. **The following items will, however, be required of the successful applicant before a final selection is made:**

9. Payment History/ Credit References
10. Cash Flow Projection for the Proposed Period of Operation
11. Income Projection by Month For the Proposed Period of Operation

For a recommended description of the business plan contents and format, see Appendix B.

V. Evaluation Criteria

DESCRIPTION OF PROCESS

Each applicant's proposal package will be evaluated against the evaluation criteria by a selection panel made up of knowledgeable and experienced Forest Service personnel. Scores based on the relative importance of the criteria and the selection panel's professional judgment will determine the applicant best suited to lease/operate the appropriate mill facility.

During the evaluation process, the panel may contact any references listed by the applicant, including all local, state, or Federal entities that have issued the applicant a current or past permit. The panel will make a recommendation to the Authorized Officer regarding to whom the Special-Use Permit should be awarded. The Authorized Officer will recommend to the Area Director of the USDA Northeastern Area State & Private Forestry which applicant the Authorized Officer recommends. The final decision for selection rests with the Area Director.

The Forest Service reserves the right to decline to issue a Special-Use Permit as a result of this prospectus if, in the opinion of the selection panel and the Authorized Officer, none of the proposals receives a high enough rating to assure a safe and successful operation of the facility. The Forest Service is not obligated to accept the application with the highest score or the highest return to the Government. The Forest Service reserves the right to reject any and all applications.

DESCRIPTION OF EVALUATION CRITERIA

The four major elements of the Proposal Evaluation Criteria are: 1) operating proposal; 2) business plan and business experience; 3) fee to the government; and 4) operating preferences and fit with WERC mission. When evaluating these four broad criteria, special attention will be placed upon: wood/forest products operations, safety; the ability to maintain the equipment and the facility; the ability to operate the equipment and the facility; return the facility to the Forest Service in good condition less normal wear and tear; likelihood of the permittees business success; job creation and the overall benefit to the Forest Service and local community.

The fixed weight method will be used to evaluate proposals. Each criterion will be numerically scored. The Evaluation Panel will use the Proposal Evaluation Criteria Form (Appendix E) to document the rating of the proposals. Appendix E shows the actual numeric weight to be placed on the evaluation criteria. The following evaluation criteria will be used:

1. Operating Proposal (0-20 points)

In evaluating the operating proposal, emphasis will be placed on the ability of the plan to address items listed in Operating Requirements. Applicants must ensure that their proposed operation conforms to existing laws, regulations, and are accurately described

in their Operating Proposal. Each of the elements listed in the Operating Requirements must be addressed individually in the Operating Proposal.

2. Business Plan and Business Experience (0-25 points)

Years of previous business experience and qualifications particularly in wood/forest products facilities will be considered. Proposals containing a sound marketing plan and strategy will earn high points. Start-up operations with a sound Operating Proposal and Business Plan (especially marketing plan) are encouraged to apply and will be given fair consideration.

3. Fee to the Government (0-35 points)

Extra points will be awarded for the fee structure that results in the highest return to the government. The Forest Service is not obligated to accept the proposal that offers the highest return to the Government.

4. Operating Preferences (0-20 points)

The Forest Service would like for the rough mill and wood shop facilities to retain some educational functions. Points will be awarded for those proposals that allow any of the following educational activities that would be conducted by Forest Service personnel:

- Fit with the WERC mission, organization, clients, and tenants
- Ability to conduct tours of the facility
- Ability to conduct operational demonstrations of equipment (rare)
- Ability to conduct research activities (rare)

The applicant is reminded that satisfying these educational activities is **not a requirement** to be selected as the permittee.

DISCUSSIONS/BEST AND FINAL PROPOSALS

Upon completion of the evaluation, the Authorized Forest Service Official will decide whether to allow issuance of the permit without oral or written discussions. The Forest Service reserves the right to issue the permit based solely on initial proposals without discussions with applicants.

If the Authorized Forest Service Official is uncertain of what is being proposed with regard to technical details, fees, or return to government, discussions will be held before issuing the permit. “Discussion” means any oral or written communication between the Forest Service and an applicant.

Additional details concerning Discussions/Best and Final Proposals process can be found in Appendix F.

VI. Prerequisites to Issuance of a Permit

Listed below are the prerequisite checklist items required prior to issuance of a special-use permit. If these prerequisite items are not met within 60 days of the date of the selection letter, a permit will not be issued to the selected applicant, and the applicant who receives the next-highest rating will be selected for a permit, subject to a Financial Assessment Determination (FAD) and other prerequisites to permit issuance.

PREREQUISITES

1. Documentation of financial ability.
2. An annual Operating Plan, completed and signed by the selected applicant and submitted to the Forest Service for approval.
3. Insurance requirements.
4. Required certifications, state business license, and any other prerequisites.