

October 18, 2012

Mr. First Name Last Name, Title
Company
Street Address
PO Box
City, State Zip-+4

Subject: Invitation to Bid and Test Harvest for the Geoduck Auction on November 28, 2012.

Dear Sir/Madam:

The Washington State Department of Natural Resources (DNR) will conduct a sealed bid auction for twelve (12) quotas for the non-exclusive right to purchase and harvest sub-tidal geoduck on November 28, 2012 at 10:00 a.m. in room 172 on the first floor of the Natural Resources Building in Olympia. The auction date is subject to change if necessary to meet the legal advertising and SEPA time requirements.

The term of these Harvest Agreements is January 2, 2013 to March 29, 2013. Please see the enclosed documents for information on the location, harvest information, and auction process.

Sincerely,

Carol Cloen

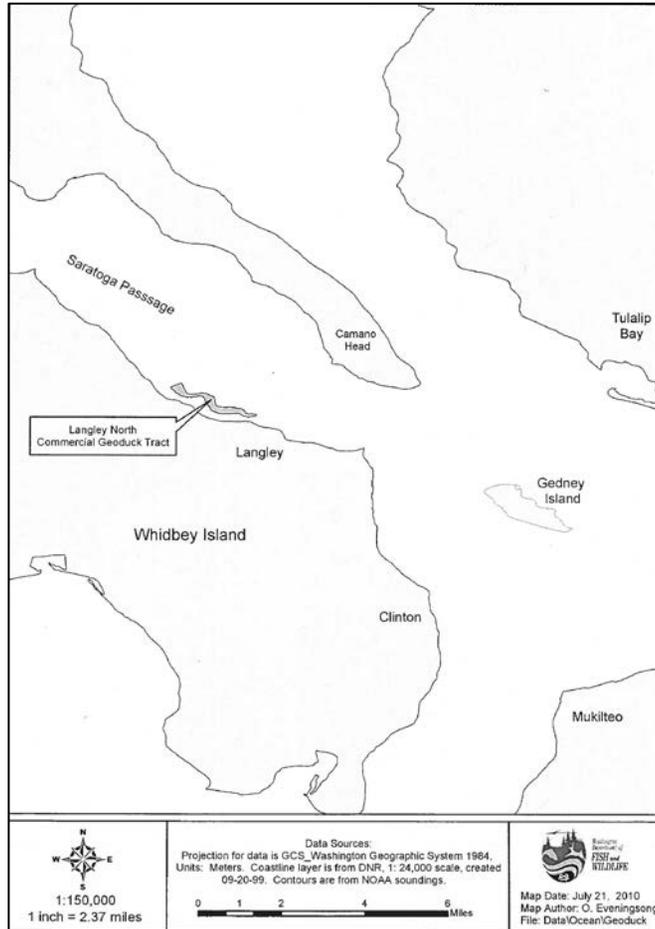
Carol Cloen
Shellfish Program Business Manager

Enclosures (3)

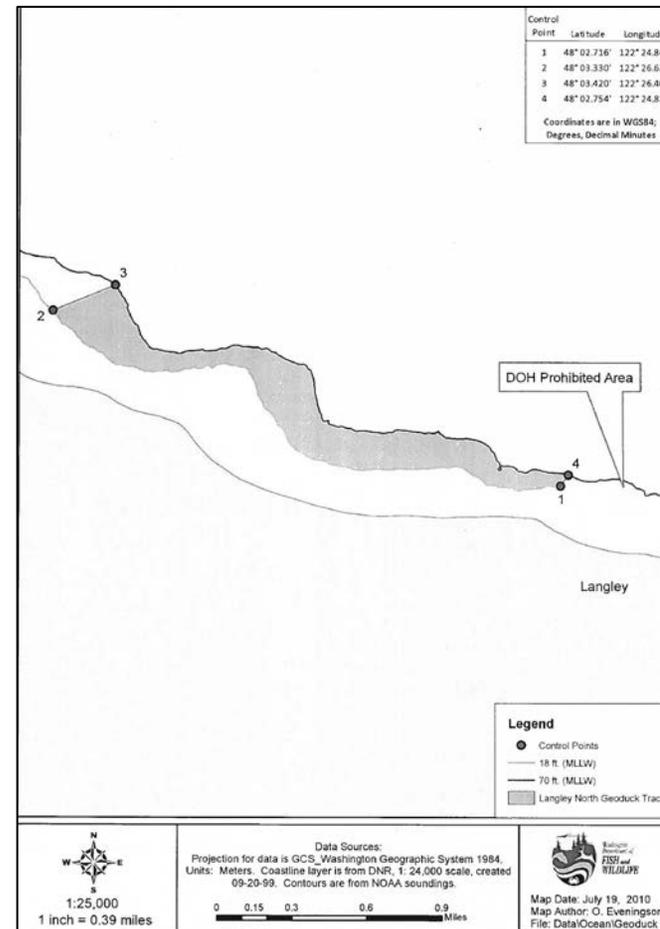
Attachment A Maps of Harvest Area Tracts

LANGLEY NORTH (TRACT #03550)

Vicinity

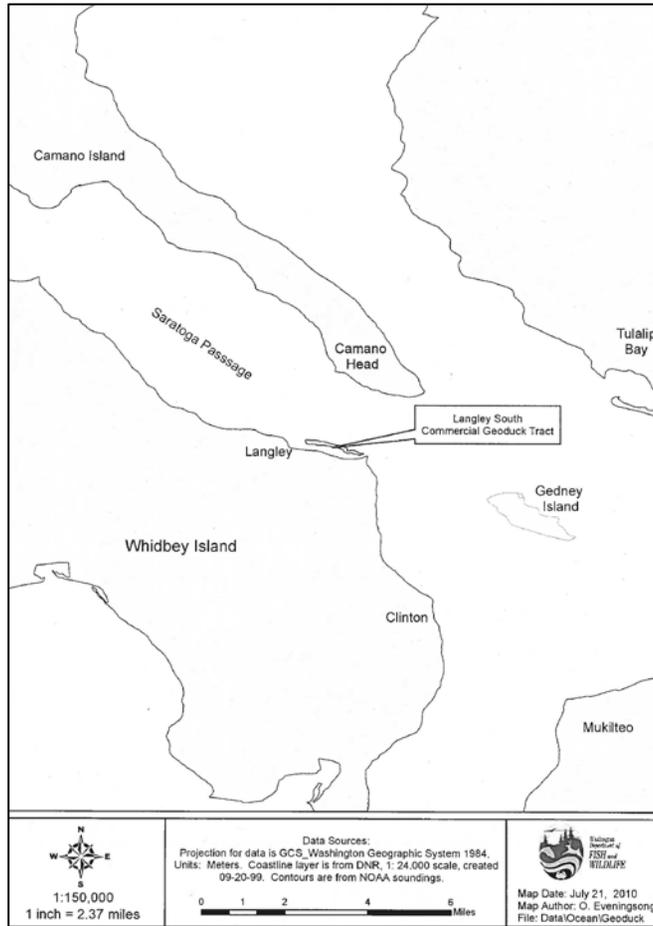


Harvest Area with Deep and Shallow Water Boundaries

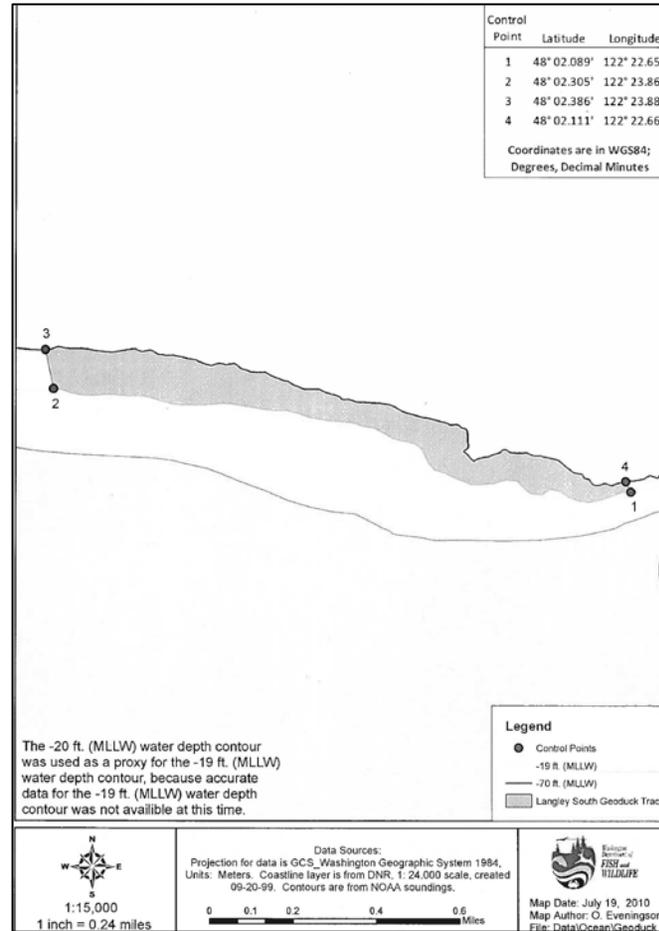


LANGLEY SOUTH (TRACT #03570)

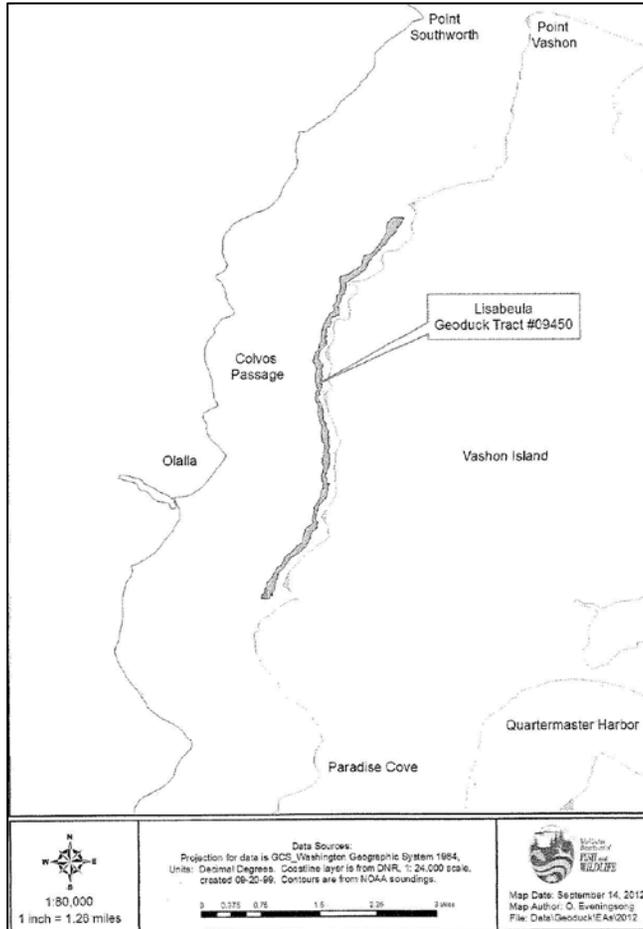
Vicinity



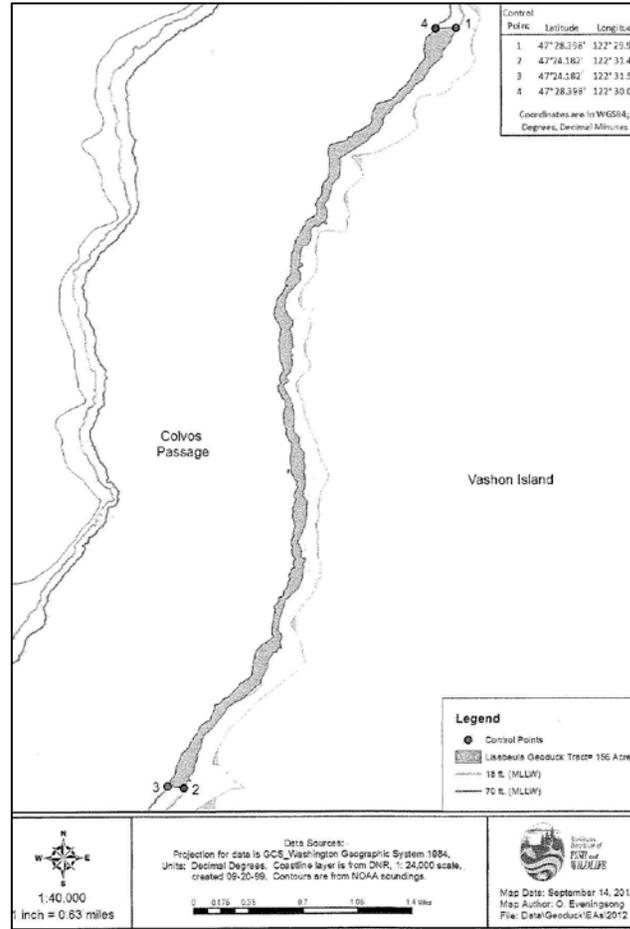
Harvest Area with Deep and Shallow Water Boundaries



LISABUELA (#09450) Vicinity

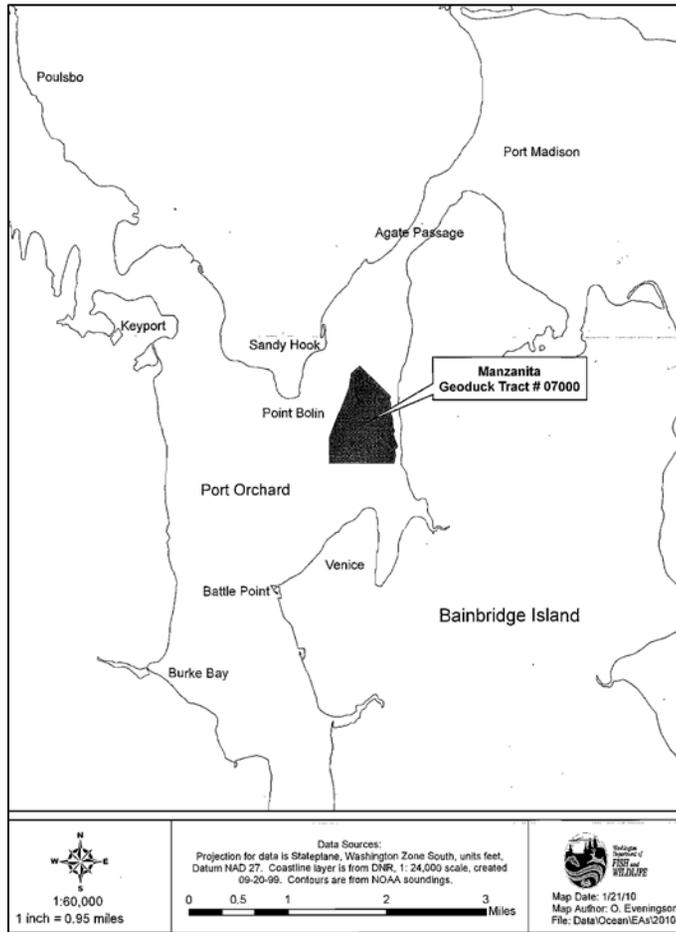


Harvest Area with Deep and Shallow Water Boundaries

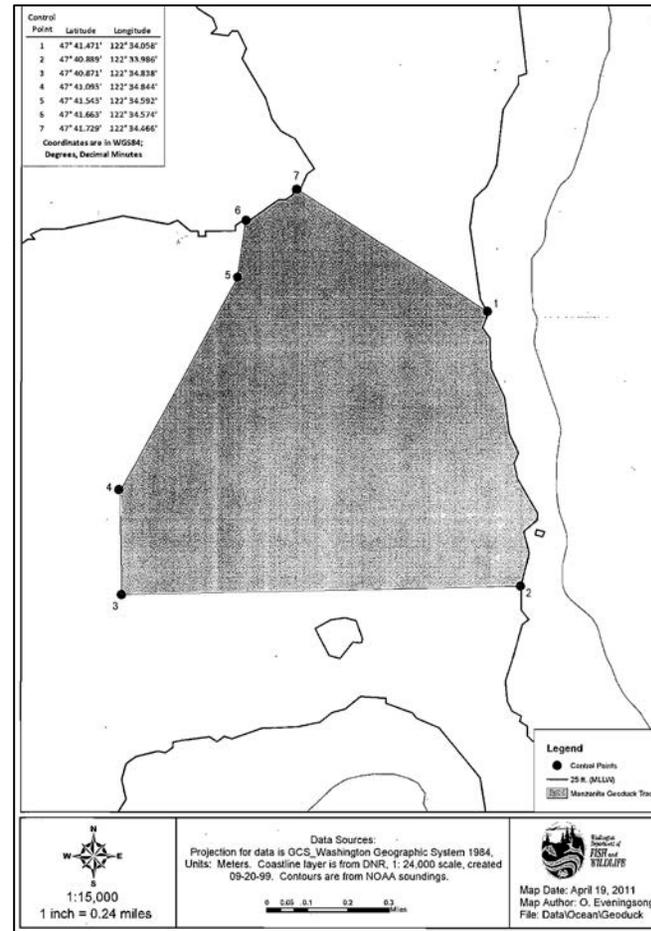


MANZANITA (#07000)

Vicinity

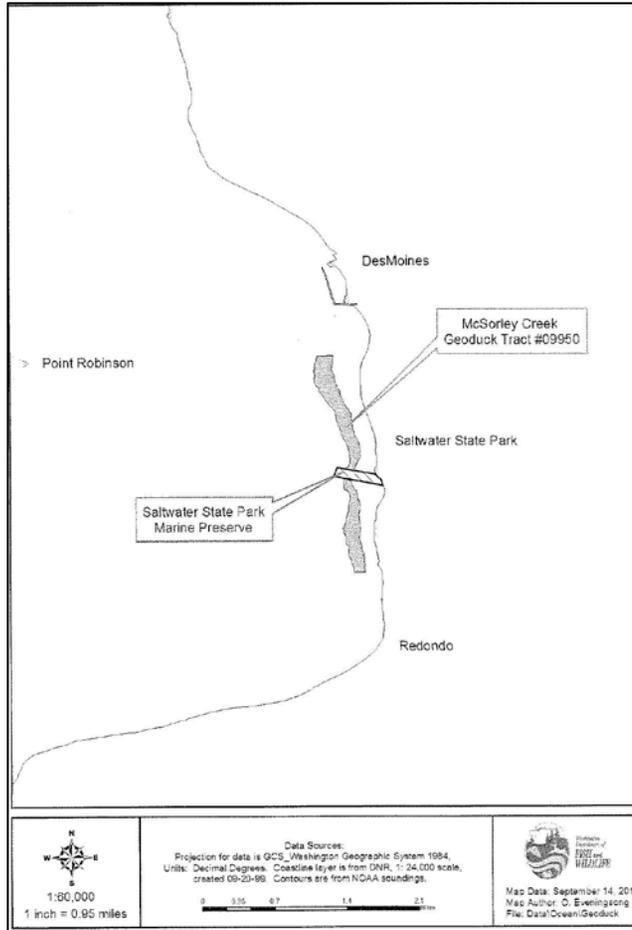


Harvest Area with Deep and Shallow Water Boundaries

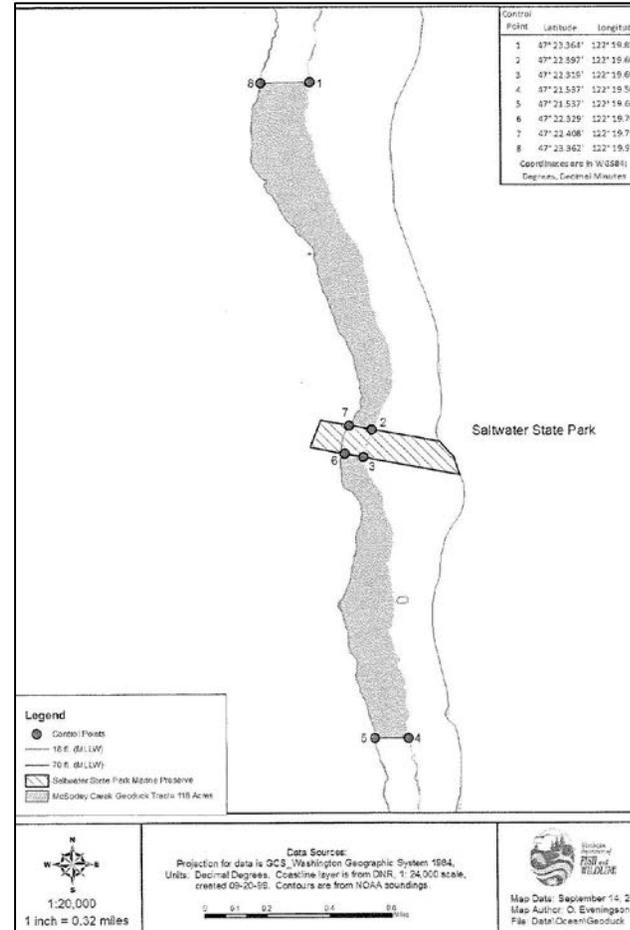


MCSORELY CREEK(#09950)

Vicinity



Harvest Area with Deep and Shallow Water Boundaries



Attachment B Harvest Information

Condition

Washington DNR makes no representation as to the volume of geoduck, their quality, or the condition of the Harvest Areas. Bidders may conduct a Test Harvest on the dates shown below. Attachment A shows maps of the Harvest Tracts with shallow and deep-water boundaries.

Test Harvest Registration

Registration for Test Harvests is on a first-come, first-served basis for no more than ten (10) companies with a single vessel each. For reservations and/or a copy of the Harvest Agreement, call the Shellfish Program Business Manager Carol Cloen at 360-902-1098 between 8:00 a.m. Tuesday November 6, 2012 and 4:00 p.m. Wednesday November 7, 2012.

Test Harvest Procedure

Only one diver at a time may harvest from each vessel. Test Harvests for each participant are limited to a maximum of five hundred (500) pounds per tract, valued at fifteen dollars (\$15.00) per pound. If any participant exceeds the limit, the value for the additional poundage will be thirty dollars (\$30.00) per pound. Payment shall be made with a check payable to "Washington State Department of Natural Resources" before the vessel leaves the tract on the day of the Test Harvest.

Test Harvest vessels shall check-in and out with the DNR compliance vessels on-site prior to and after the Test Harvest. Harvesters shall provide:

- Geoduck Diver License,
- Wholesale Fish Dealer License,
- Washington State Business license,
- Vessel insurance, and
- Washington Department of Health Certifications.

Test Harvest Date	Harvest Area	Tract Number
11/7/2012	Lisabuela	09450
11/13/2012	Manzanita	0700
11/14/2012	McSorley Creek	09950
11/15/2012	Langley North and South	03550, 03570

Harvest Period

The term for these Harvest Agreements is January 2, 2013 to March 29, 2013. Operations will be conducted per the following schedule:

- Manzanita - January 2 to March 29, 2013
- Langley - January 7 to January 25, 2013
- Lisabuela - February 4 to March 1, 2013
- McSorely Creek - March 4 to March 29, 2013

Attachment C Auction Process

Auction Time	Quota Number	Harvest Area	Harvest Ceiling	Minimum Bid per Pound
10:00	1	Manzanita Langley	26,114 8,017	\$4.50
10:20	2	Manzanita Lisabuela	26,114 12,500	\$4.50
10:40	3	Manzanita McSorley Creek	26,114 12,500	\$4.50
11:00	4	Manzanita Langley	26,114 8,017	\$4.50
11:20	5	Manzanita Lisabuela	26,114 12,500	\$4.50
11:40	6	Manzanita McSorley Creek	26,114 12,500	\$4.50
12:00	7	Manzanita Langley	26,114 8,017	\$4.50
12:20	8	Manzanita Lisabuela	26,114 12,500	\$4.50
12:10	9	Manzanita McSorley Creek	26,114 12,500	\$4.50
1:00	10	Manzanita Langley	26,114 8,017	\$4.50
1:20	11	Manzanita Lisabuela	26,114 12,500	\$4.50
1:40	12	Manzanita McSorley Creek	26,114 12,500	\$4.50

Bids

Washington DNR economists set the amount for the minimum bid per pound. At the auction, Bidders shall complete Bid forms, add a certified or cashier's check for a Bid Deposit of one hundred thousand dollars (\$100,000.00), place the documents in a sealed envelope, and write "Geoduck Auction", the number of the quota the bid is for, and the name of the bidder on the envelope.

Bid Deposits

Washington DNR will retain Bid Deposits for successful high bids as a deposit for the remainder of the Bonus Bid, which is due no later than December 12, 2012. Each company shall maintain a performance bond of eighty thousand dollars (\$80,000) for each quota purchased.

For tying bids, each bidder may submit an additional Bonus Bid. At the completion of the quota auction, DNR will award the quota to the highest bid greater than or equal to the original bid amount.

Highest Responsible Bidders

To determine the "Highest Responsible Bidder", DNR considers price as well as the following from [RCW 79.140.060](#):

- The financial and technical ability of the bidder to perform the contract;
- Whether the bid contains material defects;
- Whether the bidder has previously or is currently complying with terms and conditions of any other contracts with the state or relevant contracts with other entities;
- Whether the bidder was the Highest Responsible Bidder within the previous five years but failed to complete a sale, which includes not entering into a resulting contract or not paying the difference between the deposit and the total amount due.
- Whether the bidder was convicted of a crime relating to the public lands or natural resources of the state of Washington, the United States, or any other state, tribe, or country. "Conviction" includes a guilty plea, or an un-vacated forfeiture of bail;
- Whether the bidder is owned, controlled, or managed by any person, partnership, or corporation that is not responsible under the statute above; and
 - Whether any subcontractors of the bidder are responsible under the above statute.
 - Whenever the department has reason to believe that the apparent high bidder is not a responsible bidder, the department may award the sale to the next responsible bidder or the department may reject all bids ([RCW 79.140.080](#))

Bid packets

At the conclusion of the auction for each quota, DNR will supply High Bidders with Bid Packets to complete and return by December 12, 2012 along with a \$25 processing fee, the remaining Bonus Bid, and proof of insurance and performance bond. Failure to return the completed packet by that date constitutes a material defect in the bid as described above, and DNR will reject the bid and the bidder will forfeit the Bid Deposit.

If DNR finds a bidder not responsible or the bidder defaults on the bid, the agency may, at its discretion, re-auction the quota or offer it to the second highest bidder. The second highest bidder must then complete and return the Bid Packet, \$25 processing fee, the remaining Bonus Bid, and proof of insurance and performance bond within ten (10) days.

Washington DNR will certify Responsible Highest Bidders within five (5) days of the receipt of the completed Bid Packet. Failure to provide DNR signed and notarized Harvest Agreements within five (5) days of their receipt will constitute a breach of contract and bid default.

Harvest Agreement Execution

Copies of the Harvest Agreements are available at the auction or in advance from the Business Manager at 360-902-1098. Washington DNR has up to seven (7) business days to process and sign Harvest Agreements from the time it receives the signed and notarized agreement from the Highest Responsible Bidder. The Bidder may not harvest until DNR executes the agreement with the signature of the appropriate authority for the agency.