

January 28, 2013

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 March 4, 2013

Dear Sir/Madam:

The Washington State Department of Natural Resources (DNR) will conduct a sealed bid auction for fourteen (14) quotas for the non-exclusive right to purchase and harvest sub-tidal geoduck on March 4, 2013 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 to meet the legal advertising and SEPA time requirements.

The term of these Harvest Agreements is April 8, 2013 to June 19, 2013. Please see the enclosed documents for information on the location, harvest information, and auction process.

Questions regarding the auction, contracts, test harvest and harvest should be directed to the Shellfish Program Business Manager, Carol Cloen (360-902-1098).

Sincerely,

Carol Cloen

Carol Cloen
Shellfish Program Business Manager

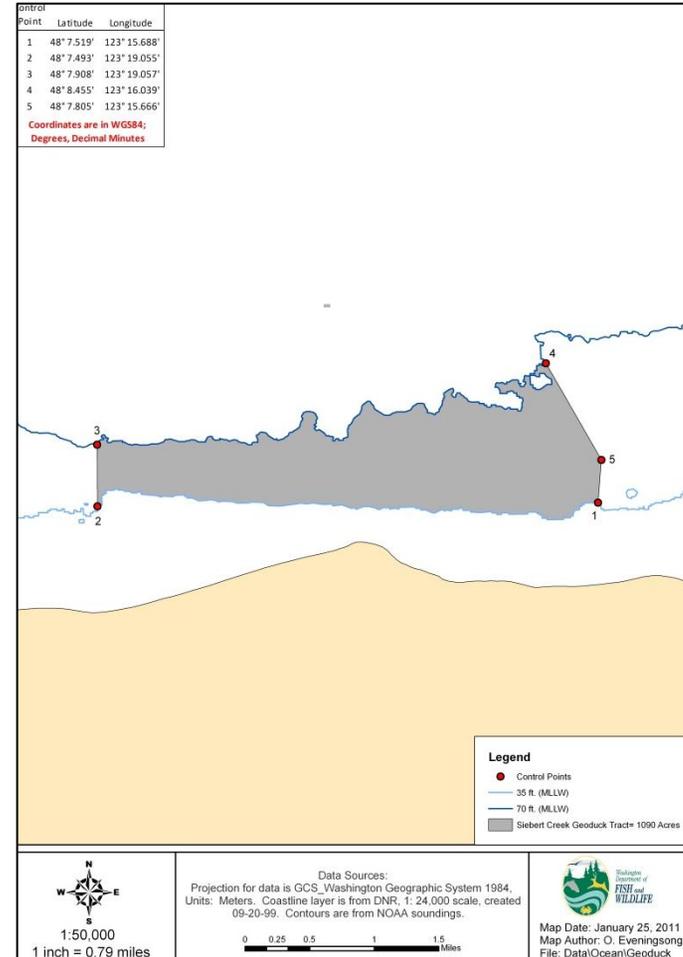
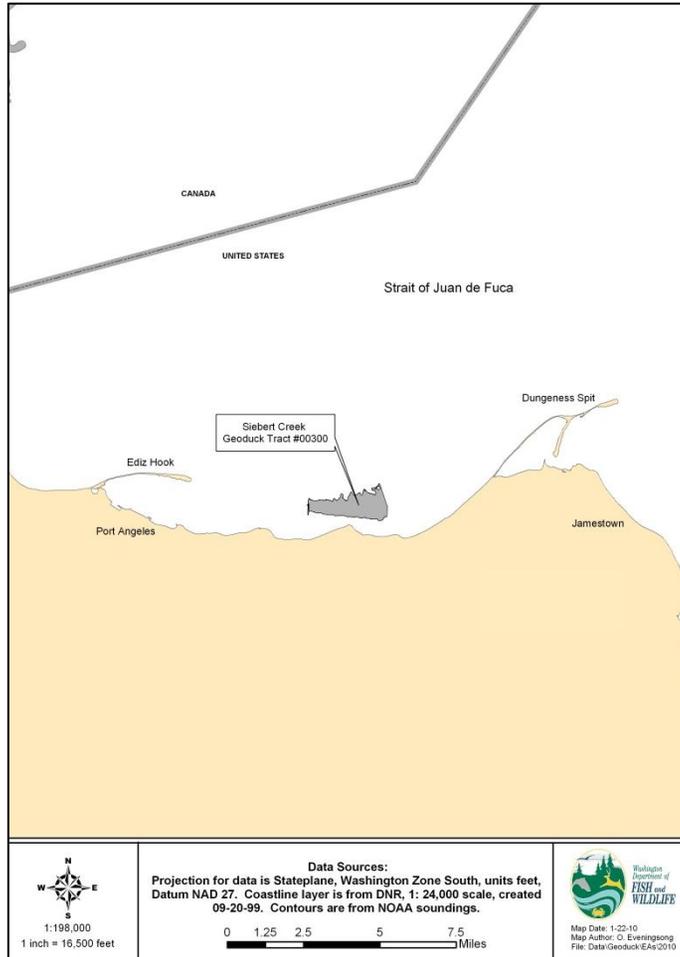
Enclosures (4)

Attachment A

Map of Harvest Area Tracts with Shallow and Deep Water Boundaries

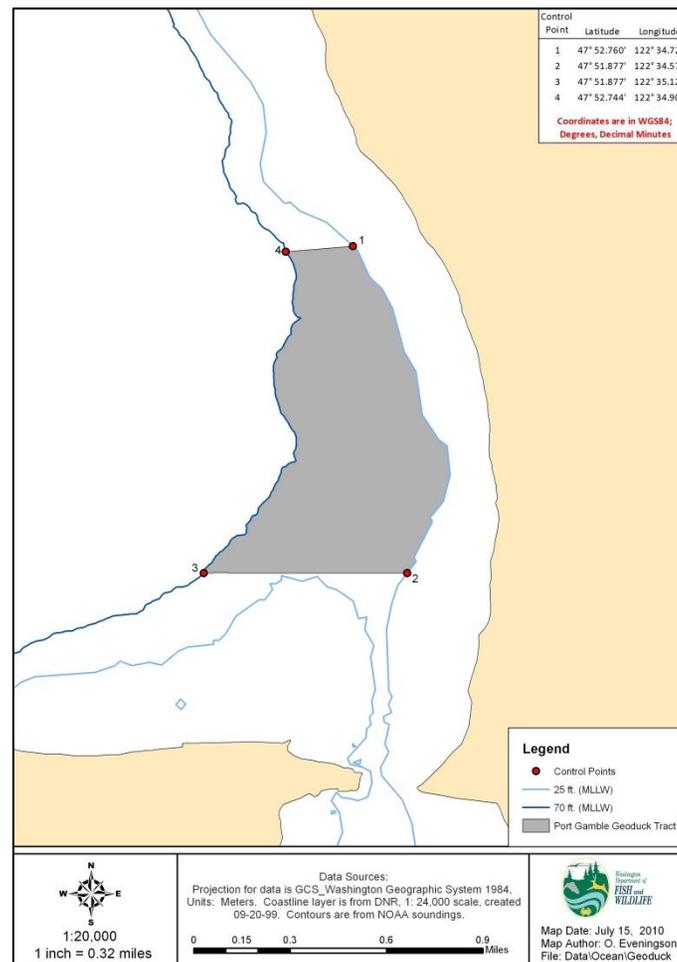
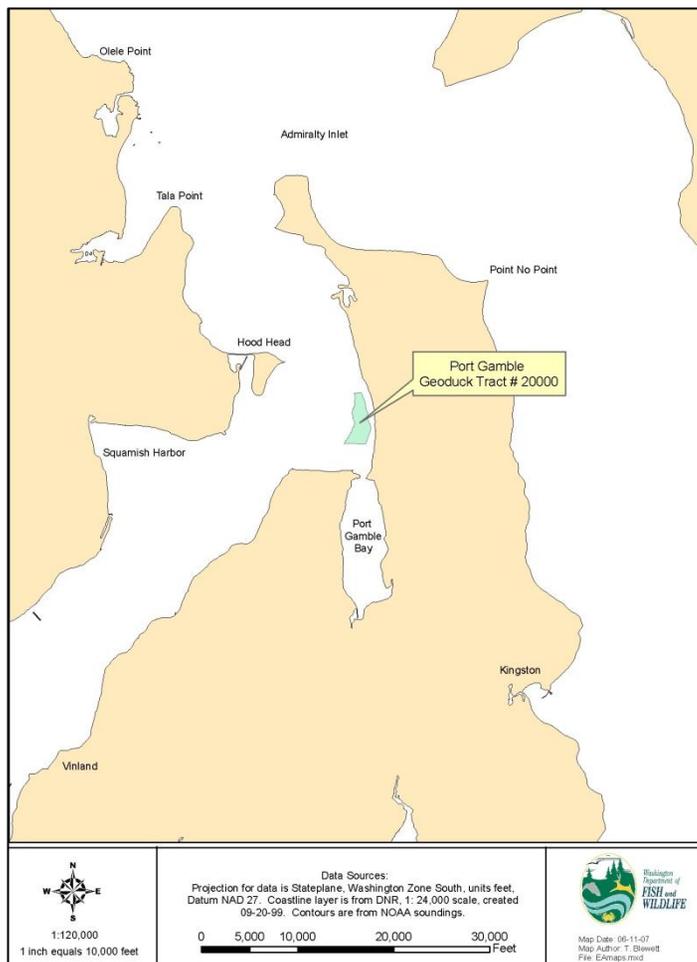
Siebert Creek (tract 00300)

Vicinity map (left) and control points (right)



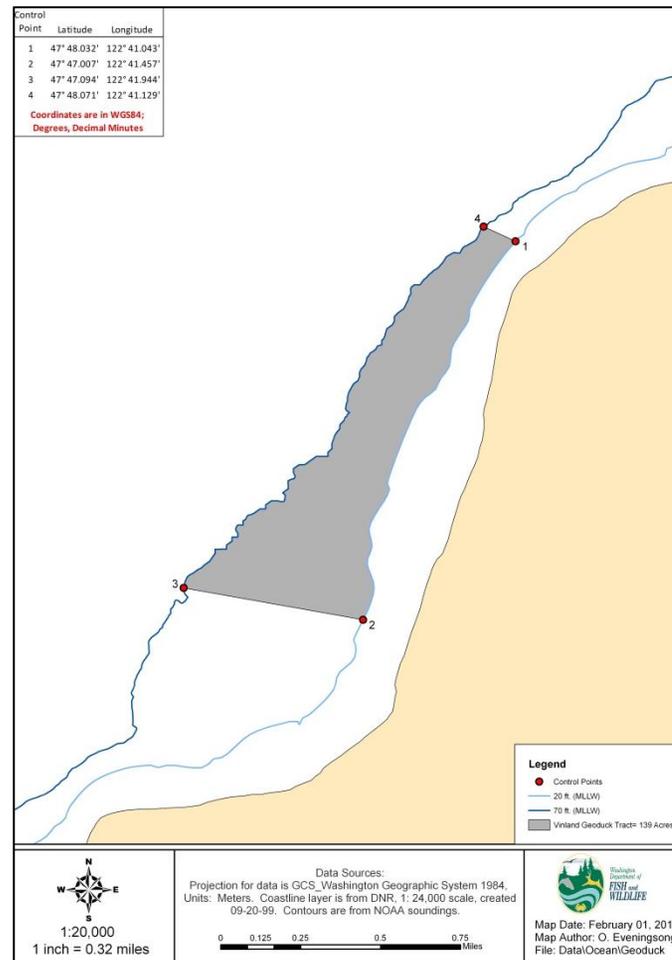
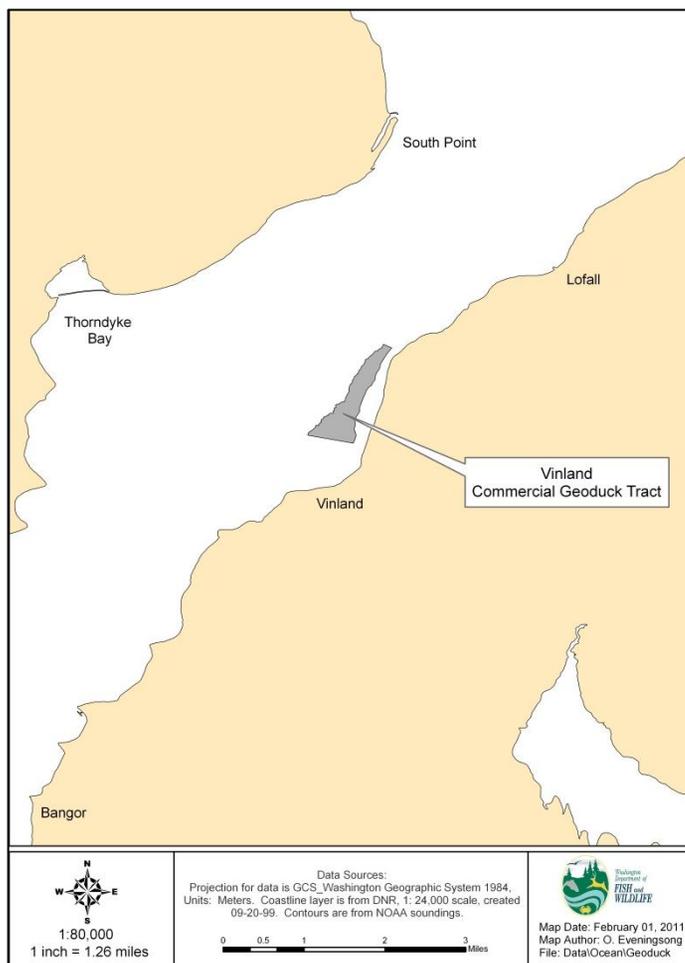
Port Gamble (tract 20000)

Vicinity map (left) and control points (right)



Vinland (tract 20750)

Vicinity map (left) and control points (right)



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 February 12, 2013 and 4:00 p.m. Wednesday February 13, 2013.

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
February 20, 2013	Vinland	20750
February 21, 2013	Port Gamble	20000
February 26, 2013	Siebert Creek	00300

Harvest Period

The term for these Harvest Agreements is April 8, 2013 to June 19, 2013. Operations will be conducted per the following schedule:

- Siebert Creek - April 8, 2013 to May 22, 2013.
- Vinland - April 8, 2013 to June 19, 2013.
- Port Gamble - May 28, 2013 to June 19, 2013.

Attachment C Auction Process

Please note that all auctions are videotaped, with the recordings saved as part of the public record.

Auction Time	Quota Number	Harvest Area	Harvest Ceiling	Minimum Bid per Pound
10:00 a.m.	1	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
10:20	2	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
10:40	3	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
11:00	4	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
11:20	5	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
11:40	6	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
12:00 p.m.	7	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
12:20	8	Vinland	13,853	\$4.50
		Seibert Creek	28,175	
12:40	9	Vinland	13,853	\$4.50
		Port Gamble	10,774	
1:00	10	Vinland	13,853	\$4.50
		Port Gamble	10,774	
1:20	11	Vinland	13,853	\$4.50
		Port Gamble	10,774	
1:40	12	Vinland	13,853	\$4.50
		Port Gamble	10,774	
2:00	13	Vinland	13,853	\$4.50
		Port Gamble	10,774	
2:20	14	Vinland	13,853	\$4.50
		Port Gamble	10,774	

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.

Please note: Washington DNR has implemented a new bid form. The form is included with this document and must be used for all upcoming auctions.

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 March 25, 2013. Each company shall maintain a performance bond of \$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 March 18, 2013 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 on DNR's web site (http://www.dnr.wa.gov/Publications/aqr_geo_harvest_contract_2013.pdf), at the auction or in advance from the Shellfish Program 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.

**Washington State Department of Natural Resources
GEODUCK QUOTA AUCTION
BID FORM**

All bids must be legible and filled out completely

Date: _____

I, _____ as the authorized bidding agent for
(PRINT full name of Authorized Bidding Agent)

_____, do hereby submit a bonus bid of
(PRINT Name of Company)

(_____)
(Written Dollar Amount)

\$ _____ .00 for the right to harvest geoduck clams as specified under quota
(Numeric Dollar Amount)

number _____.
(Quota Bid On)

I understand that in submitting a bid, I am making an offer to enter into a contract with the State for the right to harvest geoduck clams. If my bid is successful, I must furnish the required bidder information, performance bond, outstanding bonus bid payment, signed Harvest Agreement, and insurance certificate(s) on or before the date(s) specified in the Invitation to Bid. Failure to do so will cause the bid deposit to be forfeit and this bid offer to be rejected, with the bidder found to be non-responsible (RCW 79.90.215(1)).

(SIGNATURE of Authorized Bidding Agent)

(Company UBI Number)

(PRINT Name of Person Authorized to Sign Contract)

(Company Street Address)

(City)

(Province or State)

(Country)

(Postal or Zip Code)

(Phone Number)

(Fax Number)

Bonus Bid Deposit Check Returned: Yes, No

(Signature of Receiver)

(Date)