for stewardship contracts unless the contracting officer determines that periodic payments are needed to ensure the Government’s financial security.

(c) Each timber sale contract shall require the initial periodic payment to equal 35 percent of the total contract value or 50 percent of the bid premium, whichever is greater. The amount of this periodic payment will be reduced if the payment would result in the purchaser’s credit balance for timber charges exceeding the current contract value.

(d) Where an additional periodic payment is required by the timber sale contract, this payment will equal 75 percent of the total contract value. The amount of this periodic payment will be reduced if the payment would result in the purchaser’s credit balance for timber charges exceeding the current contract value.

(e) Dates for determining future periodic payments shall be adjusted as follows:

(1) When contract term adjustments are granted under §223.46,

(2) When market-related contract term additions are granted under §223.52,

(3) When urgent removal extensions are granted under §223.53, or

(4) When extensions in the substantial overriding public interest are granted under §223.115(b). Periodic payment determination dates shall not be adjusted when a contract term extension is granted under the general authority of §223.115(a).

(f) The amount of any periodic payment(s) not yet reached shall be revised when rates are redetermined under the contract. The revised periodic payment amounts shall be based on a recalculated total contract value using the same procedures described in (c) and (d) of this section. The recalculated total contract value is the current contract value following the rate redetermination plus:

(1) The total value of timber scaled prior to establishing contract rates in a scaled sale; or

(2) The total value of timber shown on the timber sale statement of account as having been cut, removed and paid for.


§ 223.51 Bid monitoring.

Each Regional Forester shall monitor bidding patterns on timber sales to determine if speculative bidding is occurring or if Purchasers are bidding in such a way that they would be unable to perform their obligations under the timber sale contract. A Regional Forester shall propose to the Chief changes in service wide timber sale procedures, as they appear necessary, to discourage speculative bidding.

[50 FR 41500, Oct. 11, 1985]

§ 223.52 Market-related contract term additions.

(a) Contract provision. (1) Except as provided in paragraph (a)(3) of this section, each timber sale contract exceeding 1 year in length shall contain a provision for the addition of time to the contract term, under the following conditions:

(i) The Chief of the Forest Service has determined that adverse wood products market conditions have resulted in a drastic reduction in wood product prices applicable to the sale; and

(ii) The purchaser makes a written request for additional time to perform the contract.

(2) The contract term addition provision of the contract must specify the index to be applied to each sale. The Forest Supervisor shall determine and select from paragraph (b) of this section, the index to be used for each sale based on the species and product characteristics, by volume, being harvested on the sale. The index specified shall represent more than one-half of the advertised volume. If none of the indices in paragraph (b) of this section represent more than one-half of the advertised volume, the index specified shall represent the species product combination representing the highest percentage of volume for which there is an index. When the Forest Supervisor determines that the species and potential product characteristics are such that...