

Nuts and Bolts of Stewardship Contracts and Agreements



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Traditional Contracts: Timber Sale & Service/Procurement Contracting

- Timber sale contracts
 - Dispose of federal property
- Procurement contracts
 - Purchase goods and services

Some key differences between timber and service contracting

- Sale vs. procurement
- Minimum wage vs. prevailing wage
- High bid vs. Low bid vs. Best Value
- Timber staff vs. procurement staff
- Timber Sale Administrator vs. Procurement Contracting Officer
- Sharing risk between govt. and contractors
- Code of Federal Regulations (CFR) vs. Federal Acquisition Regulations (FAR)

Stewardship Contracts = Integrated Resource Contracts

- Integrated Resource Service Contracts (IRSC)
 - More service work than can be paid for by timber value
 - Responsibility of procurement staff
 - FAR

- Integrated Resource Timber Contracts (IRTC)
 - More timber value than service work
 - Responsibility of timber staff
 - CFR

Stewardship Agreements...

- More later 😊

IRSCs – Different contracts for different scenarios

- IRSC – With Construction – Request For Proposals (RFP)
 - Service Contract Act and Davis Bacon Wages (for construction items)
 - Definite Quantity and Duration
 - Indefinite Delivery/Indefinite Quantity (IDIQ)
 - Single Award (single contractor and/or mill)
 - Multiple Award (multiple contractors and/or mills)
- IRSC – Commercial Items – Request for Quotation (RFQ)
 - No construction items
 - Service Contract Act wages
 - Under \$5 mm
 - Can use all of the contract structures above

Balancing flexibility, optimizing capacity, and sharing risk

- Definite Quantity
 - Bid-rates, both timber and service, locked in upon contract award – no rate redetermination
 - Can include mandatory and optional service items
 - Optional items executed through task orders
 - High Risk for contractor
- Single Award IDIQ
 - Bid-rates re-determined yearly and by task order
 - Good for long-term contracts – funding, markets and NEPA uncertain
 - Min and max per year and for contract duration
 - Share risk

Balancing flexibility, optimizing capacity, and sharing risk cont.

- Multiple Award IDIQ
 - Awards can be made for each work item
 - Forest Service pays contractors to harvest – sells wood direct to mill (“separates logger from the log”)
 - Multiple contractors and multiple mills then compete annually and by task order
 - FS can negotiate rates at mills
 - Fosters competition – better rates, more innovation, better outcomes

Integrated Resource Timber Contracts (IRTCs)

- Used when timber value exceeds required service work items
- No Service Contract Act wages
- Can be scaled or tree measurement
- Will generally result in Retained Receipts
- Allow for rate redeterminations, escalation, de-escalation
- Spread risk – but heavier to contractor
- Might be used to match local capacity and/or to capture timber value

Understanding Stewardship Credits

- Earned
- Applied
- Timing
- Uses
 - Stumpage value

How do I apply?

- Bidding a stewardship contract
 - Technical Proposal
 - Price Proposal for Service Work
 - Price Proposal for Forest Products
- Best-value selection criteria
 - Past performance
 - Technical capability & key personnel
 - Technical proposal
 - Price
 - Benefit to local community and/or use of local labor

Stewardship Agreements

- Several examples – Weaverville Community Forest, NWTf, RMEF, Rogue River-Siskiyou
- National template developed
- Master Participating Agreement
- Annual Operating Plan
- Modifications as funds become available
- Built on partnership & mutual benefit