

Forest Service Contracting: *A Basic Guide for Restoration Practitioners*



The Ecological Restoration Institute

The Ecological Restoration Institute at Northern Arizona University is a pioneer in researching, implementing, and monitoring ecological restoration of southwestern ponderosa pine forests. These forests have been significantly altered over the last century, with decreased ecological and recreational values, near-elimination of natural low-intensity fire regimes, and greatly increased risk of large-scale fires. The ERI is working with public agencies and other partners to restore these forests to a more ecologically healthy condition and trajectory—in the process helping to significantly reduce the threat of catastrophic wildfire and its effects on human, animal, and plant communities.

Cover photo: Back hoe being used to repair damage to the Bar M stilling pond of the Beaver Creek Experimental Watershed in Coconino National Forest, AZ.

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Publication date: December 2006

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Types of contracts and mechanisms used for restoration work	
Tool	Application
Timber sale contracts	Used to sell timber from national forest lands. The contract describes how the purchaser buys, pays for, harvests, and removes the wood.
Service (procurement) contracts	Used to buy services such as tree planting, pre-commercial thinning, trail maintenance, and stream restoration. The contract describes the work to be done and the time period in which it will be completed.
Integrated resource contracts	Used exclusively for implementing stewardship contracting projects IRCs combine aspects of both timber sale and service contracts and must be awarded on a best-value basis. They may also include provisions for the exchange of goods-for-services, the retention of receipts, multi-year contracting, designation by description or prescription, and other special stewardship authorities.
Participating agreements	Used to allow volunteer organizations or individuals to work on projects with the Forest Service.
Administrative use agreements	Used to dispose of timber from national forest lands when there is some administrative benefit to the Forest Service.
Watershed restoration & enhancement (Wyden) agreements	Allows the Forest Service to fund watershed improvement projects on non-federal land.
Title II & Title III projects (Secure Rural Schools & Community Self-Determination Act Projects)	Used to fund county-approved projects that benefit federal resources.

Forest Service Contracting: *A basic guide for restoration practitioners*

During the past ten years, the array of administrative tools available to the Forest Service for restoration has changed and been enhanced. This guide provides an overview of the contracts, agreements, and permits available to pursue restoration work on national forests, and provides contractors with information on how to find and bid on restoration contracts.

TRADITIONAL CONTRACTS

Traditionally, the Forest Service had two distinct types of contracts—timber sales (designed to sell government property) and service contracts (designed to purchase goods and services from businesses). As the Forest Service has intensified its focus on restoration activities, new stewardship contracting formats have been developed that combine the purchase of goods and services with the sale of timber. This paper covers four categories of contracts: timber sale, service, integrated resource (stewardship), and delivered log.

Timber sale contracts

When the Forest Service sells timber from national forest lands, it most often does so through a timber sale contract, “an agreement entered into by the Forest Service and the purchaser with specific expectations of benefits to be received and obligations to be performed.”¹ The contract establishes the terms and conditions under which the agency sells the timber and the purchaser buys, pays for, harvests, and removes it.

In preparing a timber sale, the Forest Service appraises the material being offered to estimate the fair market value of the timber and set an advertised rate that will encourage sufficient competition for the sale. Transaction evidence appraisal (TEA) is the primary method used, although for small sales other valid methods (comparison with similar sale offerings or the use of standard rates) may be used instead.² TEA arrives at fair market value based on the bid rates on prior timber sales sold competitively over a period of time. The volume-weighted average of those bids is adjusted to account for differences in sale conditions, values, and costs between base period sales and the sale currently being appraised. That is the “indicated advertised rate” or “minimum allowable bid.” The “base rate” is the lowest rate at which timber is advertised (even if the appraisal calculations would indicate a lower rate), and is the higher of (1) the applicable minimum rates established by the forest service region, by species, or (2) the minimum deposit to the National Forest Fund of \$0.25 per hundred cubic feet (CCF), plus the cost of any required reforestation work.³

There are six “2400”-type timber sale contract formats for harvesting standing trees as well as one for the sale of decked timber. The type of contract used depends upon the volume and complexity of the sale, whether the timber is measured for payment before or after it is harvested, the length

of the contract, and other factors (see Appendix for more information about the various contract formats, their similarities and differences, and when each is used). There is no regulatory limit on the volume or value of a timber sale, but a timber sale contract can run no longer than ten years.⁴

The National Forest Management Act requires the Forest Service to advertise all timber sales unless the appraised value of a sale is less than \$10,000 or in “extraordinary conditions” as defined by the Secretary of Agriculture, exist.⁵

The Forest Service provides information about available timber sales in a number of ways. For a timber sale with an appraised value of \$10,000 or more, the Forest Service publishes a sale advertisement in a local newspaper for 30 days. A sale deemed to be of “unusual



interest” is also advertised in trade journals for 45 to 90 days.⁶ A timber sale advertisement specifies the project location, the estimated quantities of products being offered, any related road construction required, the bidding method being used, the date bids will be due, and other important information.⁷ A prospective bidder letter is mailed at roughly the same time to inform prospective bidders that a timber sale is being offered and that a complete bid package is available upon request.

When weather conditions could render the project area inaccessible at the time of the normal advertisement, the agency may publish a preliminary advertisement to alert contractors and other interested parties about a sale that it intends to advertise at a later time. This gives bidders an opportunity to visit the sale area in advance to familiarize themselves with site conditions and to make their own estimates of the volume, condition, and value of the timber to be offered—critical steps in preparing a bid.

Prospective bidders or other interested parties should request a prospectus. The prospectus provides additional information (contract format to be used, required deposits, description of any special logging requirements, etc.) to enable bidders to decide whether or not to further investigate the sale. If they decide to go ahead, they need to get the bid package, which includes the bid form, sale area map, and other detailed information.

The Forest Service requires bidders to provide sealed bids in Regions 8 and 9 and uses a combination of sealed bids and oral auctions in Regions 1, 2, 3, 4, 5, 6, and 10 “to the extent of historical use.”⁸ To participate in an oral auction, bidders must submit a written sealed bid at least equal to the minimum acceptable bid prices specified in the prospectus. No price less than the written sealed bid amount will be accepted in the oral auction. A bid guarantee (cash, bid bond, letter of credit, or other acceptable instrument) is required, and is returned to bidders whose bids are not accepted.

Unless the agency rejects all bids, it must award the sale to the bidder submitting the highest bid that conforms to the conditions of the sale. If no satisfactory bid is received or the bidder fails to complete the purchase, the Forest Service may sell the timber for no less than its appraised value without further advertisement.⁹

Service Contracts

To purchase services that do not involve the removal of saleable timber—activities such as tree planting, pre-commercial thinning, trail maintenance, and stream restoration—the Forest Service uses a procurement (or acquisition) process often referred to as service contracting. Unlike timber sales, which are regulated under the agency-specific National Forest Management Act, service contracts are regulated under the government-wide Federal Acquisition Regulations (FARs) and are also subject to the wage requirements of the Service Contract Act.



Service contract offers are generally solicited in one of three ways: an invitation for bid, request for proposal, or request for quotation. Today, most service contracts are solicited through requests for proposals or quotations, negotiated contracts typically referred to as “best value” contracts.

Invitation for Bid (IFB). An IFB is a sealed bid process used for procuring goods or services whose value is estimated to exceed \$100,000. The Forest Service must award the contract to the lowest-priced responsive and responsible bidder. The Forest Service rarely uses the IFB bidding mechanism, usually using a request for proposal for its large contracts.

Request for Proposal (RFP). An RFP is used for negotiated procurements estimated to exceed \$100,000. Requests for proposal require formal, written responses that include a technical proposal as well as a price proposal. The agency evaluates the offers based on both price and non-price factors to determine the overall best value to the government, which may or may not be the lowest priced offer. The complexity of the technical proposal varies considerably from contract to contract and can include how and when the bidder will perform activities, the equipment proposed to be used, the bidder’s quality-control procedures, and the like. Past performance is always used as an evaluation factor when the cost is expected to exceed \$100,000 or when the solicitation includes bundled work items.

Request for Quotation (RFQ). An RFQ is similar to an RFP but is used for procurements estimated to have a value of less than \$100,000 (or less than \$5 million for commercial goods and services solicitations).¹⁰ With an RFQ, the Forest Service has considerable latitude in choosing the factors it will evaluate when awarding contracts, and often only past performance and price are considered. However, the agency may also ask for a technical proposal, including a description of the skills and experience of the personnel who will

perform the various contract activities. Although the Forest Service may accept verbal offers, it almost always asks for written proposals on restoration projects.

Procurement solicitations specify the Forest Service’s requirements for a project, the anticipated terms and conditions that will apply, the information required to be in the offeror’s proposal, the factors that will be used to evaluate the offer, and the relative importance of each factor. In some cases, offerors may be allowed to propose alternative approaches to achieving the desired results. After offers are received, the Forest Service can ask offerors to clarify or expand upon their responses. Sometimes oral negotiations are



held with those offerors determined to be in the “competitive range.” Offerors may modify their technical or price proposals or withdraw their offers at any time before a contract is awarded.

Unlike timber sales, nearly all Forest Service procurement contracts are “set aside” for small businesses; that is, only small businesses are eligible to submit an offer on them. The U.S. Small Business

Administration establishes the size standards for “small” businesses. For support activities for forestry—nearly all non-construction restoration activities—a small business is defined as one having less than \$6.5 million in annual revenue. A business principally engaged in fire suppression and fuels management (including thinning) may have up to \$16.5 million in annual revenue and still be considered “small.” A business engaged in logging activities is considered small if it employs less than 500 employees. Other size standards can be found on the web at www.sba.gov/services/contractingopportunities/sizestandardstopics/tableofsize/index.html.

Congress has given the Forest Service and Bureau of Land Management special direction regarding the minimum criteria that should be used in evaluating “best value” for certain types of contracts covered by FAR. There are additional allowances for National Fire Plan contracts and Stewardship Contracting. (For an extensive description of best value provisions for stewardship contracting, see *Best Value Contracting in Stewardship Contracting: Meeting Ecological and Community Objectives*, published by Sustainable Northwest and the Flathead Economic Policy Center.)

Advertising Procurement Contracts

The Forest Service must advertise all invitations for bids and requests for proposals on the federal procurement contracting web site, www.fedbizopps.gov. The agency typically advertises its requests for quotations as well, although it is not required to do so for small contracts.

Service Contracts Types

A variety of contract types are used in service contracting:

<p>Firm, fixed-price contracts</p>	<p>The most frequently used contracts, they specify a definite quantity of work to be accomplished.</p>
<p>Hourly rate contracts</p>	<p>Occasionally issued, with a cap (maximum price) set on the contract</p>
<p>Indefinite-quantity contracts</p>	<p>Used when the Forest Service does not know the precise amount of supplies needed or services to be performed. The contract specifies (1) a minimum quantity that the agency is required to order, (2) an estimated quantity the agency believes it will order and uses to evaluate the offers, and (3) a maximum quantity that cannot be exceeded. A fixed contract period is designated, and task or delivery orders are used to identify the specific work to be performed.</p>
<p>Requirements contracts</p>	<p>Used when there is no minimum quantity, just an estimated quantity and a maximum quantity. In exchange for having no guaranteed minimum quantity, the contractor receives all orders for supplies or services procured under the contract. Requirements contracts are implemented through task or delivery orders.</p>
<p>Performance-based contracts</p>	<p>Used for services that can be defined in terms of objective and measurable performance outcomes (end results). The contractor is paid based on the attainment of predetermined contractual goals. The work requirement is described in terms of what is to be accomplished, the quality standards the contractor must meet, how the agency will measure the quality standards, and how the contractor's performance will be monitored. This allows contractors to determine how to meet the performance objectives, ensures that quality levels are achieved, and ties payment to successful performance.¹¹</p>

INNOVATIVE AND NEW CONTRACTS

Stewardship Contracts

In 1998, Congress authorized “stewardship end-result contracting,” commonly referred to as stewardship contracting, on a limited demonstration basis, “to perform services to achieve land management goals for the national forests that meet local and rural community needs.”¹² This soon proved to be a flexible implementation tool well suited to accomplishing restoration work. In 2003, stewardship contracting’s demonstration status was removed and the Forest Service and the Bureau of Land Management (BLM) were granted general authority until September 30, 2013, to enter into stewardship contracting



projects via agreement or contract “with private persons or other public or private entities.”¹³

Any projects using stewardship contracting authorities must be awarded on a best value basis. That is, “in the Government’s estimation, [it] provides the greatest overall benefit in response to the requirements of the acquisition. It is the process of selecting a contractor based on price and non-price criteria.

Evaluation factors may include, but are not limited to, the contractor’s past performance, work quality, existing public or private agreements or contracts, on-time delivery, experience, technical approach, and benefits to the local community.”¹⁴

Other important stewardship contracting authorities include:

Goods for services. The Forest Service and BLM may apply the value of timber or other forest products removed as an offset against any services received from the contractor.

Retention of receipts. Funds received from the sale of forest products or vegetation removed under a stewardship contract may be retained by the agencies and used for other appropriate work on the same or other stewardship project locations.

Multi-year contracting. Contracts used to implement stewardship projects may have terms of up to ten years.

Designation by prescription. The agency can specify the end result expected to be achieved on the ground and then allow the contractor to propose the methods to be used to achieve that result, including which individual trees to cut. This authority enables land managers and contractors to more effectively deal with unique or changing forest conditions, and takes better advantage of qualified contractors’ professional skills and knowledge.

Stewardship contracting can be implemented through the use of a service contract or a modified (to include a best value award) timber sale contract, or some combination thereof (see “Delivered Log Contracting,” below). The Forest Service also created four new templates to be used in stewardship contracting when the good-for-services authority is being utilized. Those are:

Integrated Resource Service Contracts are used when the cost of the services provided exceeds the value of the timber removed. There are two IRC-Service contract forms, one used when timber is measured before removal (tree measurement) and one for when timber is measured after harvest (scaled). For contracts greater than \$2,500, Service Contract Act wage rates apply. For construction contracts greater than \$2,000, Davis-Bacon Act wage rates apply.¹⁵

Integrated Resource Timber Contracts are used when the value of the timber exceeds the cost of the services. The 2400-13T contract form is used when the timber is measured before removal (tree measurement), and the 2400-13 contract form when the timber is measured after harvest (scaled). Davis-Bacon wage rates do not apply for specified road construction and reconstruction performed by the contractor. Service Contract Act wage rates do not apply to product removal or to the procurement side of the contract.¹⁶

All four contract templates, together with agency directions for their use, are available at www.fs.fed.us/forestmanagement/projects/stewardship/contracts/index.shtml. In addition to the four IRC contracts, a conventional service contract may also be used in stewardship contracting projects.¹⁷

Stewardship credits

One unique element of stewardship contracts is the use of “stewardship credits.” Credits are earned by the contractor upon completion of each service activity and can then be exchanged for timber of equal value. When the total value of the timber exceeds the total service costs, the contractor may either be required to perform additional service work or to provide a cash payment for the additional timber value. When the cost of the services exceeds the value of the timber, the Forest Service pays the contractor the difference.

Special considerations in stewardship contracting

Many stewardship contracting restoration projects include a variety of activities, such as timber harvest; road construction, maintenance, or removal; treatment of noxious weeds; installation and/or removal of culverts; stream restoration; fisheries or wildlife habitat improvement; hazardous fuels reduction; and prescribed burning. Preparing a bid proposal encompassing multiple and diverse tasks requires more time and is more complex than submitting a single-price bid on a timber sale. Contractors who have worked primarily on timber sale projects in the past and now wish to bid on a project using stewardship contracting may find they need to expand their technical and operational capabilities either in-house or through the use of subcontractors. Subcontracting is an attractive option for

contractors who may not want to or be able to take on responsibility for an entire project, or who operate primarily in “niche” markets, such as tree planting. Most stewardship projects provide some degree of preference for contractors who submit a plan for hiring in the local area and/or providing other economic benefits to the community.

Delivered log contracts

Delivered log contracting uses the stewardship authorities, a service contract, and one or more separate, modified timber sale/log purchase agreements. The restoration/service work is bid on a per-acre, end-result basis. The service contractor has no economic interest in any trees he or she removes in order to achieve that result. The timber is sold separately (on the stump or from the deck) to one or more purchasers, with the receipts of the sale(s) retained by the agency to help offset the cost of future service contract work. Some of the advantages cited by the proponents of this mechanism are: (1) it enables the contractor to concentrate on achieving the desired condition on the ground, without regard to the value (or lack of it) of the trees removed; (2) it eliminates any incentive to remove more trees than necessary in order to achieve the desired condition; (3) it lets timber purchasers bid on only the products they want, rather than having to bid on an entire sale; and (4) it should maximize both the utilization of any timber removed and the value received for it by the government.¹⁸

OTHER AUTHORITIES AND CONTRACTING MECHANISMS

In addition to the contracting tools described above, several other mechanisms have been developed to assist federal land management agencies in carrying out comprehensive restoration projects. Agreements and permits allow the agencies to use a variety of other entities to implement projects. Some programs provide direct funding to restoration projects. The following brief descriptions should help communities and practitioners understand the full range of tools available to help them participate in the design and/or implementation of restoration projects.

Participating agreements for forestry protection

Participating agreements are used for projects carried out by the Forest Service and one or more voluntary cooperators (public or private agencies, organizations, institutions, or individuals) who formalize the relationship by entering into a legal agreement. The Forest Service and the cooperator(s) share the project costs and receive mutual non-monetary benefits. The statutes authorizing such agreements don't specify matching contribution percentages, but the Forest Service strives to achieve a dollar-for-dollar match from the cooperator(s).

Eligible activities include fuels management, insect and disease control, noxious weed control, tree planting and seeding, erosion control, abandoned mine reclamation, land restoration, hazardous material identification, water testing and protection, and air pollution abatement. For example, a local non-profit group might sponsor and supervise

a group of young people carrying out projects on a national forest—stabilizing streambanks, planting trees, seeding native grasses, and relocating a trail away from a riparian area. The youth would learn about their environment and gain job skills while improving forest conditions in their area. The non-profit group would benefit by furthering its organizational goal of helping youth learn about good land stewardship and become more employable, and the national forest would benefit from the resource improvement.



Administrative use permits

In some circumstances the Forest Service may dispose of timber through administrative use permits instead of timber sales, and in some instances these can be used to aid restoration activities. “Trees, portions of trees, or other forest products in any amount on National Forest System lands may be disposed of for administrative use, by sale or without charge, as may be most advantageous to the United States. . . .”¹⁹

Administrative use of timber includes its use in construction or maintenance of Forest Service improvements (roads, bridges, buildings, etc.), for fuel in federal facilities, for research and demonstration projects, for public disaster relief work, and “to protect or enhance multiple-use values in a particular area.”²⁰ The maximum allowable volume in a single administrative use contract is one million board feet. If the appraised value is less than the published “minimum rates” for timber sales, the timber can be sold at its appraised value, down to a minimum of \$50 per thousand board feet. As in regular timber sales, agency personnel define the cutting area and mark or designate the trees for removal.

If the timber to be removed has no market value, or if its removal has a “compensating benefit” to the government, the timber can be made available without charge under “administrative free use.” District rangers are authorized to grant free use of timber to individuals up to \$200 in value in any one fiscal year, and forest supervisors may grant permits for material not exceeding \$5,000 in value in one year.

Watershed Restoration and Enhancement (Wyden) Agreements

In 1998, Senator Ron Wyden added an amendment to a bill allowing the Forest Service “to enter into cooperative agreements with willing Federal, Tribal, State, and local governments, private and nonprofit entities and landowners for the protection, restoration and enhancement of fish and wildlife habitat, and other resources on public or private land, the reduction of risk from natural disaster where public safety is threatened, or a combination thereof or both that benefit these resources within the watershed.”²¹ The agreements must include the terms and conditions agreed to between the Forest Service and the landowner and/or other implementing entities, including how the goals of the legislation will be met and how project costs will be shared among the parties.

Types of projects on non-Forest Service land that could qualify for federal money under the Wyden Amendment include in-stream restoration work and the clearing of fire-prone brush adjacent to national forest lands.²²

Titles II and III of the Secure Rural Schools and Community Self-Determination Act of 2000

Since 1908, the federal government has paid the states between one-quarter and one-half of the revenues received from National Forest System lands, with the payments to be used (primarily for schools and road maintenance) by the counties in which those federal lands are located. The steep decline in federal timber sales since the late 1980s has decreased revenues to local governments revenues as well. In response, Congress passed the “Secure Schools” Act in 2000 to stabilize payments to counties to “make additional investments in, and create additional employment opportunities through projects that improve the maintenance of existing infrastructure, implement stewardship objectives that enhance forest ecosystems, and restore and improve land health and water quality.”²³

Participating counties may elect to use up to 20 percent of the funds received for “Special Projects on Federal Lands” (Title II) or “County Projects” (Title III). Title II requires the creation of a broadly representative Resource Advisory Committee (RAC) that reviews projects proposed by the county or other entities and makes funding recommendations. The Forest Service implements the projects and is responsible for complying with all applicable laws, including the National Environmental Policy Act and the Endangered Species Act. Project funds can be used for cooperative agreements with other government agencies, private and nonprofit entities, and landowners for protection, restoration, and enhancement of fish and wildlife habitat and other resource objectives. Projects may be conducted on



non-federal land if they benefit resources on federal lands. Best-value contracting may be used in awarding Title II contracts.

Project proposals can be prepared and submitted through the national “Payments to States” website, www.notes.fs.fed.us:81/r4/payments_to_states.nsf, which also provides contact information for each RAC as well as the names of RAC members and designated agency officials for the program.

Title III projects are conducted directly by electing counties, and may fund search, rescue, and emergency services; community service work camps; forest-related, after-school programs; the purchase of easements for conservation or to provide non-motorized access to public lands for recreational purposes; education of homeowners about wildfire and techniques for reducing potential losses; community planning efforts to increase the protection of people and property from wildfire; and payment of the non-federal match for the Forest Service’s Urban and Community Forestry Assistance programs.

Tips for Contractors

☑ *Be proactive.*

To identify contracting opportunities, visit FedBizOpps (www.fedbizopps.gov), attend local RAC meetings, and talk to the Forest Service timber sale and acquisitions contracting officers about upcoming offerings. In FedBizOpps you can register to receive emails for certain types of projects. This can be beneficial in that you won't need to search every Region and Forest for the type of contracts that interest you. Attend agency "show me" tours, open houses, and other events where planned projects are discussed, and you have an opportunity to ask questions and increase your understanding of agency goals and priorities. Get involved in the collaborative process. This process is mandatory for all stewardship projects.

☑ *Get registered.*

The **HUBZone Empowerment Contracting Program** stimulates economic development and creates jobs in economically distressed counties by providing preference in federal contracting to qualified small businesses. These preferences go to small businesses that obtain HUBZone (Historically Underutilized Business Zone) certification. To qualify for the program, a business must meet the following criteria:

- It must be a small business by SBA size standards;
- Its principal office must be located within a HUBZone, which includes economically distressed counties and lands on federally recognized Indian reservations;
- It must be owned and controlled by one or more U.S. citizens. Approved ownership can also be by a Community Development Corporation or Indian tribe; and
- At least 35% of its employees must reside in a HUBZone.

The U.S. Small Business Administration administers the HUBZone program. To learn more about it, find out if you're in a HUBZone, or file for certification, go to www.sba.gov/hubzone.

The **Central Contractor Registration (CCR)** is the primary vendor database for the U.S. Government. Both current and prospective government vendors, including those who may enter into contracts or agreements with the government, are required to register and provide certain basic information about their organizations. Vendors must update their registration annually to maintain an active status. For more information and to complete a registration form, go to www.ccr.gov.

To register on the CCR and do business with the federal government, all entities must have a **DUNS number**. The Dun and Bradstreet Universal Numbering System (DUNS) provides unique numbers to corporations and other business entities upon request. A business may request a DUNS number at no cost by calling Dun and Bradstreet at 1-800-333-0505. Additional information about DUNS numbers can be found at www.dnb.com.

The Federal Contractor Program requires that any non-exempt contractor receiving a contract from the federal government in the amount of \$25,000 or more, or any subcontractor receiving a contract in the amount of \$25,000 or more from such a covered contractor, must file a **VETS-100 Report** on an annual basis.²⁴

In addition, all federal contractors or subcontractors are required to take affirmative action to hire and promote qualified special disabled veterans, Vietnam-era veterans, and any veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized.

File at www.dol.gov/vets/contractor/main.htm.

☑ *Take advantage of training & certification opportunities.*

Many colleges, universities, professional and trade associations, and government agencies offer training and continuing education programs in workshop settings or online. Offerings will vary from state to state, but common topics are best management practices, OSHA and worker safety, working with private landowners, business management, marketing, and quality control. Some organizations offer "master logger," "certified wildlife biologist," "accredited logging professional," "wilderness first aid and CPR practitioner," "prescribed burn manager," and other relevant certifications.

☑ *Collect references and take photographs.*

If you are preparing a proposal for a contract to be awarded on a best value basis, the Forest Service will want you to provide a list of business references and information about projects on which you have done work similar to that being advertised. "Before" and "after" photographs of sites on which you have worked are also helpful in seeking contracts for work on private forestlands.

☑ *Identify potential subcontractors.*

If you plan to make a proposal on a project that requires the completion of activities for which you currently lack the in-house capability, you will probably need to recruit and screen subcontractors. Look at some of their past work, check their references, and otherwise make sure that they are competent and reliable and can meet your needs.

☑ *Do your homework.*

Before preparing a bid or proposal, *always* visit the project site and familiarize yourself with the conditions and circumstances in which you will be operating. Make your own estimates/cruises of the volume and condition of the material you will be purchasing and/or removing. Forest Service estimates may not be accurate. If you are not used to bidding work on a per-acre basis, you may want to seek assistance in making your cost estimates. Be particularly careful not to underestimate the amount of non-merchantable material you will be required to remove. Finally, read all the contract specifications, even those that are incorporated by reference. Particularly note the equipment and material specifications.

☑ *Have a good quality control program in place.*

Adopting a system that focuses on eliminating errors up-front, rather than correcting them afterwards, will save time and money and make you more competitive.

Appendix: Timber Sale Contracts and Permits Use Matrix

Type of Use	CONTRACTS			PERMITS	
	Complex, Large Sales	Simple, Small Sales	Simple, Low-Value Sales	Charge	Free Use
Contract Form FS-	2400-6 2400-6T	2400-3S 2400-3T 2400-3P	2400-4	2400-1	2400-8
Use for Complex Sales ^a	Yes	Yes	No	No	No
Use for Premeasured Sales	Yes	Yes	Yes	Yes	Yes
Use for Scaled Sales	Yes	Yes	No	No	No
Use Primarily for Timber Sales for Standing Trees or Log Products	Yes	2400-3S(T)	Yes	No ^c	No ^c
Use Primarily for Charge for Special Forest Products	No	2400-3P	No	Yes ^q	No
Use Primarily for Free Use	No	No	No	No	Yes ^r
Use for Timber Settlement	Yes	Yes	Yes	No	No
Use for Administrative Free Use	Yes	Yes	Yes	No	Yes
Use for Convertible or Non-Convertible Forest Products	No ^s	Yes	Yes	Yes	Yes
Maximum Period of Contract or Permit	10 Years	1 Year ^w	1 Year	1 Year	1 Year
Maximum Advertised Product Value	No Limit	No Limit ^v	\$10,000	\$ 0	\$ 0
Maximum Direct Sale Product Value	\$10,000	\$10,000	\$10,000	\$300	\$20 ⁱ
Maximum Contract Volume	No Limit	2000 CCF	NA ⁿ	NA ⁿ	NA ^j
No. of Payment Units or Subdivisions	No Limit	No Limit	1	1	NA
Sales Advertised	Yes ^l	Yes ^l	Yes ^l	No	No
Direct Sales Permitted ^b	Yes ^l	Yes ^l	Yes ^l	Yes	No
Special Requirements Allowed	Yes	Yes	Yes ^d	Yes ^d	Yes ^d
Non-Recurring Special Provisions or Requirements Allowed	Yes	Yes	Yes ^d	Yes ^d	Yes ^d
Payment at Flat Rates	Yes	Yes	Yes	Yes	No
Payment at Escalated Rates ^u	Yes	No	No	No	No
Associated Charges (Road Maintenance, Scaling, & Slash Deposits)	Yes	Yes	Yes	Yes	No
KV/SSF/BD Fund Plans Allowed	Yes	Yes	Yes ^e	Yes ^e	No
Payment is Refundable	Yes	Yes	Yes	No	No
Export Requirements West of 100th Meridian	Yes	Yes	Yes	No ^c	No
Painting and Branding West of 100th Meridian	Yes	Yes	Yes	No ^c	No
Contract Modification Allowed	Yes	Yes	Yes	NA ^p	NA ^p
Contract Term Extension	Yes	No	Yes ^m	No	No
Additional Timber Allowed	Yes	Yes	Yes ^g	No	No
Performance Bond Required	Yes	Yes	Yes ^h	No	No
Type of Performance Bond	Any	Any	Cash ^o	No	No
Use of Payment Guarantees	Yes	Yes	No	No	No
Periodic Payments Required	Yes	Yes	No	No	No
Downpayment Required	Yes	Yes	No	No	No
Cooperative Agreements Allowed	Yes	Yes	No	No	No
SBA Set-aside Sales	Yes	Yes	No	No	No
SSTS Set-aside Sales	Yes	Yes	No	No	No
Use of Normal Operating Seasons	Yes	Yes	No	No	No
Market-related Contract Term Addition	Yes	No	No	No	No
Contract Term Adjustment	Yes	Yes	No	No	No
Timber Subject to Agreement	Yes	Yes	No	No	No
Default Damage Provisions	Yes	Yes	No	No	No
3rd Party Agreements Allowed	Yes	No	No	No	No
Use When Special Provisions Must be Added to Protect Known Heritage Resources	Yes	Yes	No	No	No
Use When Special Provisions Must be Added to Protect Habitat of Threatened, Endangered, and Sensitive Species	Yes	Yes	No	No	No
Use When Special Provisions Must be Added to Protect Cave Resource	Yes	Yes	No	No	No
Report of Timber Sale (FS-2400-17) Required	Yes	Yes	Yes ^k	No	No
TEA Appraisal (FS-2400-17)	Yes	Yes	Yes ^k	No	No
Timber Sale Statement of Account	Yes	Yes	No	No	No
Use of Transferred-in Purchaser Credit for Advance Deposits	Yes	No	No	No	No
Scheduled Rate Redetermination ^t	Yes	No	No	No	No
Use of Performance Bond for Felled Timber	Yes	No	No	No	No
Tripartite or Bipartite Land Exchange Provisions	Yes	No	No	No	No
Catastrophic Damage Provisions	Yes	No	No ^f	No	No
Specified Road Work	Yes	No	No	No	No
Temporary Road Construction	Yes	Yes	No	No	No
Incompletely Marked Timber	Yes	No	No	No	No

Appendix Notes

- a. Indicators of complex sales include, but are not limited to:
 1. Sales requiring specialized logging equipment such as a cable or helicopter,
 2. Elaborate requirements for protection of threatened and endangered species or cultural resources, or
 3. Elaborate or intricate resource protection requirements.
- b. There is a \$10,000 limit to an individual per fiscal year, except for timber settlement sales.
- c. Permits shall not be used for log products west of the 100th meridian. Use of permits for log products is optional east of the 100th meridian.
- d. Special requirements can be listed only in the space provided for “Other Conditions.” Contract Form FS-2400-4 is limited to 4 pages. Permit Forms FS-2400-1 and FS-2400-8 are limited to a total of 10 “Other Conditions.”
- e. Plans are allowed on a Contract Form FS-2400-4 or Permit Form FS-2400-1 that meet the requirements of Forest Service directives (FSM and FSH). District-wide K-V Plans for projects are not allowed. Salvage Sale Plans may be District-wide.
- f. The mutual cancellation authority at 36 CFR 223.116 shall be used to cancel sales with catastrophic damage; or they may be mutually modified or allowed to proceed without modification.
- g. Additional timber is allowed but should not exceed 50 percent of the original total contract product volume. The \$10,000 limit to an individual per year of direct sales applies.
- h. Performance bonds are required for Contract Form FS-2400-4 when product values are greater than or equal to \$2,000 and optional for product values less than \$2,000.
- i. A maximum value of \$20 in free use can be granted to individuals by District Rangers (\$100 for Forest Supervisors). See the regulations at 36 CFR 223.5 through 223.11 for other provisions.
- j. Free use to individuals is restricted by value, except in Alaska where it is restricted by volume (36 CFR 223.5 through 223.10).
- k. These forms are required for sales with advertised product values greater than or equal to \$2,000. They are optional for sales with advertised product values less than \$2,000.
- l. All sales are advertised when competition exists or the sale value is equal to or greater than \$10,000.
- m. This contract can be extended, not to exceed a total contract term of 1 year.
- n. The limit is based on value.
- o. This type of preference bond can be cash or equivalent, such as bank or postal money order, personal check, credit card (where applicable), official bank check, or certified check.
- p. The Forest officer may make pen and ink changes for such items as a new permit area or vehicle information. Changes to name, address, ID, or product designation are not allowed.
- q. Products on charge permits may be resold.
- r. Products on free use permits may not be resold (36 CFR 261.6(f)).
- s. This contract does not have standard or special provisions developed to sell non-convertible forest products and is not recommended.
- t. Rate redetermination may be scheduled for sales equal to or greater than 7 years in contract length, but do not schedule rate redetermination before the end of year 5.
- u. Except for situations that are disadvantageous to the Government, Forest Service timber sale contracts that exceed 1 year in contract length in the western United States should provide for stumpage rate adjustment (FSM 2431.34).
- v. For Contract Form FS-2400-3P, the maximum advertised dollar value is \$100,000.
- w. One year, except for sales of non-convertible products where 3 years is allowed.

Endnotes

1. Forest Service Manual (FSM) 2400, Timber Management, Section 2452.1.
2. FSM2400, Chapter 2420.
3. Forest Service Handbook (FSH) 2409.18, Chapter 40.
4. National Forest Management Act, 16 U.S.C. 472a(14)(c) and 36 CFR 223.31.
5. 16 U.S.C. 472a.
6. FSM 2432.47b.
7. 36 CFR Part 223.
8. Forest Service Handbook (FSH) 2431.41.
9. 16 U.S.C. 472a.
10. FAR 12.203.
11. The “General Contracting Information” page of the Tongass National Forest website, www.fs.fed.us/r10/tongass/work_with_us/contract_info.shtml, provided much of the information in this section.
12. Section 347 of the Omnibus Consolidated and Emergency Appropriations Act, 1999 (P. L. 105-277).
13. Section 323 of the Consolidated Appropriations Resolution, 2003 (P. L. 108-7).
14. FSH 2409.19, Chapter 60, Section 63.1.
15. FSH, 2409.19, Chapter 60, Section 65.11c.
16. FSH 209.19, Chapter 60, Section 65.12d.
17. FSH 2409.19, Chapter 60, Section 62.1.
18. Delivered log contracting was used to implement stewardship contracting from its inception until the Forest Service released revised FSH 2409.19, Chapter 60 in November 2005, listing five contract types “approved for use in stewardship contracting”: two integrated resource timber contracts, two integrated resource service contracts, and a service contract. Because some agency officials interpret that direction to mean that delivered log contracting—a desirable implementation tool—can no longer be used, further clarification is being sought.
19. 36 CFR 223.2.
20. 36 CFR 223.2.
21. P.L. 105-277, Section 323.
22. For further information and to see Forest Short Form 1580.1, which can be used as a template in the development of Wyden agreements, visit the Partnership Resource Center at www.partnershipresourcecenter.org/resources/partnership-guide/chap6-4html.
23. P.L. 106-393, Section 302(b).
24. 41 CFR 61-250.10.

This document is a collaborative publication of the **Ecological Restoration Institute at Northern Arizona University, the Ecosystem Workforce Program at University of Oregon, the Flathead Economic Policy Center, and Sustainable Northwest.**

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