

The Stewardship Chronicle

From the Ecosystem Workforce Program

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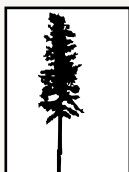
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Using the Fire Plan to Build Local Skills

Cassandra Moseley
Ecosystem Workforce Program

The Willamette National Forest used the Title IV authorities of the national fire plan to encourage the hiring and training of Oakridge residents for fire fighting and thinning. The authority allows the Forest Service to consider local community benefit when awarding contracts.

The Willamette Forest put out a contract for a crew that would work alongside Forest Service employees thinning overstocked stands and fighting wildfires. The solicitation asked contracting firms to explain how they would provide training and employment opportunities to Oakridge residents.

Skookum Reforestation, a Eugene-based contracting firm, won the contract. Skookum agreed to train local workers and maintain a crew of 50% Oakridge residents. Skookum held a three and a half day basic fire class for Oakridge residents and then hired most of the trainees for their crew. The crew worked on eight fires and thinned and piled many acres of brush during the summer and early fall.



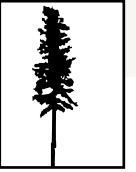
“The contract worked out well,” said Martin Desmond, former business manager at Skookum. “A number of our Oakridge employees showed up to work every day and worked out well. The challenge came when we had to replace crew members that quit or were fired. We have these same troubles with our Eugene-

Springfield employees but we have a larger pool to draw from so we can weed out bad apples. There were not enough people to draw from in Oakridge.”

In the 1980s, more federal timber came out of Oakridge’s watershed than any other in the country. Transition has been difficult and much

of the local capacity for forest work has disappeared. Workers from Oakridge were paid over \$37,000 to work on the contract for four months plus an additional \$20,000 to crew members who relocated to Oakridge for the duration of the contract, a sizable contribution to a rural community of just over 3,100 residents.

Letter from the Program Director



Charles Spencer
Ecosystem Workforce Program

This issue of the Stewardship Chronicle focuses on the National Fire Plan, innovative contracting, and the National Stewardship Pilot Program—important congressional initiatives that can help create quality jobs at the watershed and community level.

The National Fire Plan provides benefits to rural communities through federal contract dollars that can go to local residents and through grants to build community capacity and reduce fire hazard. As Abe Cambier explains, more money is now flowing to eastern Oregon than through previous contract structures. The ability to increase the portion of contract dollars going to local small contractors appears to be helping meet the linked goals of hazard reduction, ecosystem health, and community benefit. Finally, the thinning to reduce fire hazard can produce by-products that can be used by small businesses in those communities. Some communities are beginning to gear up to add value to those materials, creating economic opportunities in the communities while reducing fuel loads in the forests.


Stewardship contracting is an opportunity to take better care of the land while providing workers and contractors with more

durable opportunities to make a resource-based living. Cassandra Moseley's article about the Littlehorn Sheep pilot project and Carol Daly's article about separating the logger and the log are examples of how the Forest Service and its partners are innovating to restore forests while providing economic opportunities. EWP and other community forestry organizations believe that we need to continue to experiment using existing and special

authorities carefully directed at ecologically and economically sound treatments. Stewardship Contracting is experimental, relying on rigorous project design and collaborative monitoring and evaluation. Communities and policy makers need to stay on course, evaluate the results, and apply the lessons as they unfold. Changing course could be as damaging to communities and landscapes as discontinuing funds before the work has begun to pay off.

We urge readers to review the programs highlighted here to keep abreast of the developing knowledge on collaborative stewardship. Please contact the Ecosystem Workforce Program if you have any questions or comments at 541-346-0676.

“Keep abreast of the developing knowledge on collaborative stewardship...”



What is a high quality ecosystem management job?

A quality job in ecosystem management is frequently defined as providing workers:

- Family supporting wages and benefits.
- A healthy and safe workplace.
- Skill standards and opportunities for advancement.
- Job durability.
- The chance to work near where they live.



A Trained Workforce Needed for Quality Forest Restoration

Denny Scott
United Brotherhood of Carpenters

Forest restoration workers have a large stake in the growth of best value contracting. Best value contracting and multi-task contracting can promote a stewardship philosophy that takes care of both the land and the workers.

Historically, the Forest Service or BLM have issued single-task contracts to thin trees, improve fish passage, restore riparian areas, or remove unneeded logging roads. Several different contractors (with awards based on the lowest bid) typically work in the same area to accomplish various tasks. This method of contracting has a negative impact on the environment and on workers:

- (1) There is insufficient emphasis on the quality of the work performed.
- (2) It discourages long-duration employment. Many contracts must be bid and won to achieve continuous employment.
- (3) It discourages skill upgrading and advancement.
- (4) It breaks down interrelated tasks into isolated, repetitive tasks.
- (5) It fails to promote a stable and readily available workforce.
- (6) It tends to exploit narrowly skilled workers such as tree planters.
- (7) It rarely provides workers with a living wage or health care benefits.

Current contracting practices are driven by low bid. While this method may keep initial costs low, there is increasing evidence that it increases costs over the long run. Best value contracting benefits the agency because it promotes long-term, quality outcomes, instead of being task based. Consider the difference between counting the number of seedlings planted per acre versus the long-term value of considering tree survival rates, improved water quality, and soil erosion prevention.

By incorporating these mechanisms, agencies change the employment dynamics for contractors bidding the work. Contractors will require qualified forest ecosystem workers who have multiple skills—people “certified” as qualified forest ecosystem workers. Contractors will then be able to provide employment ten months a year rather than four or five months. In addition, they can justify paying a living wage with benefits.

We cannot think about restoring our natural forest systems while exploiting the workers who are doing the restoration. We must recognize that skilled, trained workers produce high quality results on the ground.



Supporting You

Ecosystems Workforce Program Staff

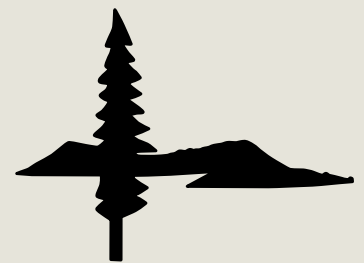
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The Ecosystem Workforce Program (EWP) was created in 1994 to help lead the rural Pacific Northwest into an age of ecosystem management—managing for healthy communities and healthy environments. The EWP believes by creating high skill forest and watershed jobs that enable people to work near their homes, we will establish a structure for long-term resource stewardship. Our goal is to demonstrate the linkages between a quality workforce, a healthy economy, healthy community, and effective management for forest ecosystems.

National Fire Plan: Authority for Rural Benefit



Maia Enzer
Sustainable Northwest

In response to the intense wildfire season in the summer of 2000, Congress allocated \$1.6 billion for a National Fire Plan (NFP). Special authorities and appropriated dollars were authorized to ensure the goals of the plan could be achieved. For some, this response by Congress was recognition of the need to reinvest in our public lands and the communities that are essential to long-term stewardship.

To ensure the implementation of the NFP would benefit communities and small or micro-businesses, Congress provided special authorities to the Forest Service and Bureau of Land Management. These authorities help create restoration-based jobs in rural communities adjacent to public lands—especially in the urban-wildland interface.

The legislative language (the so-called Title IV Authorities) provides contracting guidelines for agencies awarding NFP funds. NFP contracts—whether for implementation or monitoring—can be targeted to:

- (1) Local private, nonprofit, or cooperative entities;
- (2) Youth Conservation Corps crews or related partnerships with State, local and nonprofit youth groups;
- (3) Small or micro-businesses; or
- (4) Other entities that will hire or train a significant percentage of local, people to complete such contracts.

In addition, Congress provided special authorities to allow the National Forest System to use grants and cooperative agreements to implement hazardous fuels reduction, creating opportunities for community collaboration and training by permitting agencies to work with non-profits and others in new ways.

As the NFP enters its second year, the benefits of congressional intent and investment are beginning to materialize. The NFP has become a vehicle for collaboration and restoration—two things that are essential to improving the health of our forests and rural communities. These

authorities provide the stepping stones rural communities and entrepreneurs need to play a meaningful role in the restoration and maintenance of public lands.

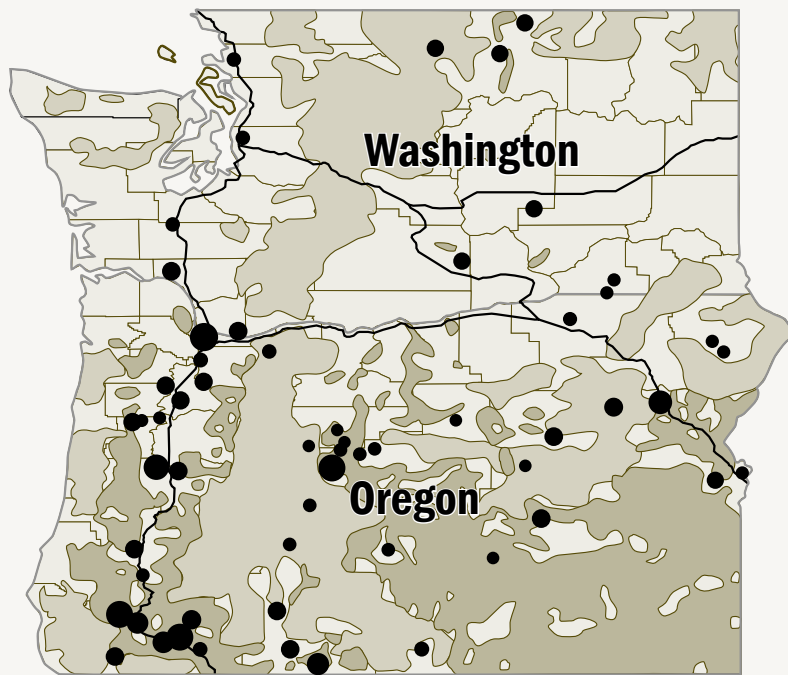
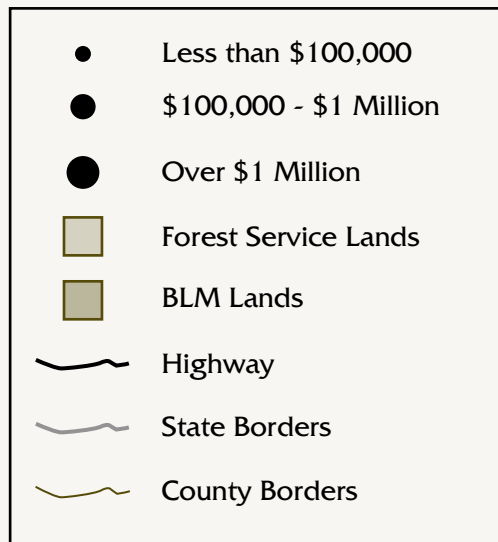
Western public land communities are still transitioning from economies based on extraction to economies based on long-term stewardship. Ecological and economic conditions across the West have developed over decades because of short-sighted political and economic interests, from all sides of the spectrum. The NFP provides an opportunity to manage our national forests for the long term and make investments accordingly. Only time will tell if Congress has the tenacity to make investments that will yield healthy forests and healthy communities.

“These authorities help
create restoration-based
jobs in rural communities...”

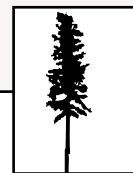


Following the Contracting Dollars

The circles indicate the total amount of NFP money paid to contractors in each locale to perform work on Forest Service and BLM lands in Oregon and Washington.



National Fire Plan Contracting Benefits Rural Communities



Abe Cambier
Ecosystem Workforce Program

As a new wildfire season looms, threatened communities are depending on the achievements of the National Fire Plan (NFP) in coordinating wildland fire management and reducing fire hazard. The cooperative, long-term effort by the Department of the Interior, the Forest Service, and their state partners is not only designed to restore fire-dominated ecosystems and fight fires, but also to benefit rural economies.

In an effort to gauge rural benefits, the EWP has undertaken a study (funded by the Forest Service) of the rural economic benefit of National Fire Plan contracting by the Forest Service and BLM. Our study looks at NFP hiring and contracting.

In FY 2001, about 80% of Fire Plan contracts were for services including thinning, fuels reduction, rehabilitation, and suppression standby. Construction and maintenance contracts made up 12% of the funds contracted. Fire suppression contracts are not included in our data.

Although we have only begun the analysis, the map above indicates where contractors are located who performed NFP work

on Forest Service and BLM land in Oregon and Washington. In the first stages of analysis, we see that western Oregon contractors captured the majority of contracted dollars, but perhaps not as much as they have traditionally.

The majority of contracts were for work on land east of the Cascades and in southern Oregon but only 45% of that work was contracted to businesses located in eastern Oregon. Although small, this is probably an increase compared to earlier years. Contractors from Wallowa, Malheur, Grant, Harney, Baker, and Umatilla received 25% of the contracts and 9% of contracted dollars spent in Oregon, indicating they receive many small contracts. In contrast, westside contractors captured contracts twice as large (on average) as their eastern counterparts.

Although eastern Oregon contract capture remains low, our initial analysis suggests this figure is higher than it has been in past years. Our next step will be to try to determine if the Title IV authorities or other factors led to this increase in capture by contractors in eastern Oregon.

The National Stewardship Pilot Program allows pilots to test five contracting authorities:

Best Value—The U.S. Forest Service (USFS) has the authority to consider best value to the government when awarding procurement contracts. Pilot authority allows the USFS to award timber sales based on best value, not just highest bid.

Multi-year Contracts—Pilot authority allows the USFS to issue contracts for up to 10 years, twice the current limit.

Retention of Receipts—The USFS must send timber sale receipts (less deposits to trust funds) to the Federal Treasury. Congress must appropriate funds for service contracts. Pilot authority allows income from positively-valued contracts to be used on part of the project or another pilot project.

Designation by Description/ Prescription—In a service contract, the USFS may describe required actions or desired end results. In a timber sale contract, the USFS must either indicate trees to be removed or provide descriptions that would lead any two people to choose the same trees. Pilot authority allows the USFS to describe the desired end results in a timber sale contract.

Goods for Services—Generally, the Federal Government is prohibited from trading goods for services because it cannot augment appropriated funds by exchanging something of commercial value for work. Pilot authority allows a single contract in which commercially valued timber is exchanged for work the USFS would normally have to hire.

Stewardship Pilots A New Way of Doing Business



Marcus Kauffman
Watershed Research and Training Center

In 1992, a forest fire burned 30,000 acres of old-growth adjacent to Crater Lake National Park, feeding on dense small-diameter trees and understory. The fire was a wake-up call for the Winema National Forest. Faced with low-value, small-diameter ponderosa and lodgepole pine and time-intensive service work to get the site ready for a prescribed fire, the district lacked appropriated funds.

Faced with these challenges, the Winema Forest decided to apply for National Stewardship Pilot status. This gave the Winema Forest planners the flexibility to help save the big trees and find creative ways to pay for the work. Congress first created the Stewardship Pilots in 1999 to allow forests to experiment with new contracting authorities designed to improve implementation and meet the needs of rural communities.

The Stewardship Pilot legislation has three parts: land management goals for restoration, new contracting authorities, and multi-party monitoring. The authorities are designed to promote comprehensive ecosystem management and can be used to address land management objectives including:

- (1) Removing or obliterating roads to improve water quality.
- (2) Protecting and/or enhancing soil productivity.
- (3) Using prescribed fires to improve stand composition, structure, and condition.
- (4) Cutting or removing of trees to reduce fire hazards.
- (5) Watershed restoration and maintenance.

(6) Restoration and maintenance of wildlife and fish habitat.

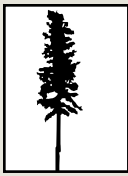
(7) Control of noxious weeds and reestablishing native plant species.

To help achieve these goals, Congress gave the Forest Service some innovative new tools designed to help the agency implement projects in a more effective manner. These authorities include (see sidebar for details):

- Best value contracting.
- Multi-year contracting.
- Goods for services.
- Retention of receipts.
- Designation by description.

This initiative has generated a fair amount of controversy. Critics of the program worry that authorities—like goods for services and retention of receipts—provide an incentive for land managers to cut more large trees to pay for needed restoration services. Fortunately, the program includes a multi-party monitoring process at the local, regional, and national levels. Each project must develop a local monitoring team comprised of diverse interests whose role is to gather and analyze data about the project's status, accomplishments, and benefit to local communities.

Today, the Antelope Pilot project in the Winema National Forest has removed small-diameter ponderosa and lodgepole pine from almost 1,600 acres using low impact equipment. The old-growth pines now have more access to water and room to grow. When the conditions are right, the Forest Service will follow up with prescribed fire to burn the remaining excess fuel at the site.



Defining Timber Sales and Service Contracts

Historically, in the federal government, different laws and staff manage the selling of timber and purchasing goods and services.

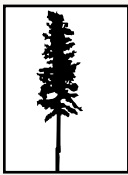
Procurement Contracts—With procurement contracting, the government pays a contractor to perform work or provide goods. When deciding whom to hire, the Forest Service requests bids and then considers the best value to the government, including past experience and capabilities of the contractor, technical proposal, and price.

Timber Sale—With a timber sale contract, a timber purchaser pays the federal government for timber that

it removes from Forest Service lands. The Forest Service must sell timber valued above \$10,000 competitively—to the highest bidder—without considering best value to the government. Although infrequently used, “administrative use” allows the Forest Service to give away timber when the objectives are related to multiple use rather than timber extraction.

Service Contract with an Embedded Timber Sale—Sometimes, silvicultural restoration projects call for timber removal, but selling the timber would not pay the full cost of the project. Under these circumstances, the Forest Service may use a service contract

with an embedded timber sale. The government pays the contractors to perform services and the contractor pays a fixed price for the removed timber. The contract is structured primarily as a procurement instrument using best value. The timber must have an appraised value less than \$10,000 or have failed to sell through the open bid process.



Ecological Results Littlehorn Sheep Pilot

Cassandra Moseley
Ecosystem Workforce Program

The ironically named, Littlehorn Sheep project was designed to improve big horn sheep habitat. It uses pilot authorities and existing authorities in innovative ways to improve site distance for the sheep and reintroduce needed grasses and shrubs for forage.

The project was originally designed as a series of separate contracts—a timber sale and several service contracts. However, when the Forest Service put the helicopter-based timber sale out for bid, no one was interested. Project planners sought and obtained pilot status, which allowed them to combine the removal and sale of timber with service work into a

single contract, using the goods for services authorities. The Forest Service considered best value to the government, when choosing the contractor, not just price. The pilot multi-year authority allowed them to spread the work over several years so that work could occur in the right sequence and in appropriate biological windows. In addition, the contracting officer used end-results authorities to focus on insuring that the biological objectives were met instead of simply working to a particular prescription.

As implementation began, the contractor was pleased with the contract because of the interesting work, long time frame,

and flexibility. Because the work was combined into a single contract to be implemented in several phases, the contractor could plan implementation around other jobs. This has helped him ensure consistent employment for his crew while achieving the Forest Service’s objectives.

For more information about innovative contracting, see Cassandra Moseley’s, “A Survey of Innovative Contracting for Quality Jobs and Ecosystem Management.” A study forthcoming from the Pacific Northwest Research Station is available at: <http://ewp.uoregon.edu>

Separating the Logger from the Logs

Innovation in Flathead, Montana



Carol Daly
Flathead Economic Policy Center

The Flathead Forestry Project (FFP) is a volunteer community forestry partnership in northwest Montana. Since 1994, the FFP has worked to promote community trust and collaborative processes, improve forest and ecosystem health, and maintain a sustainable resource-based economy.

FFP carries out demonstration projects with public participation in planning, design, contracting, monitoring, and evaluation. A key component is the stewardship loggers who manage for the long-term health and sustainability of the forest ecosystem (soil, water, vegetation, wildlife, and humans). FFP believes in giving forestry professionals a more active role in developing and implementing prescriptions. However, the National Forest Management Act specifies that only Forest Service employees may designate or mark trees to be harvested during a timber sale.

To overcome this barrier, FFP has been testing ways to “separate the logger from the logs.” For its Cedar Flats Project, the group raised funds to pay for two service contracts for stewardship work, which were awarded on a “best value” basis. Prospective contractors had to develop detailed treatment plans on each unit.

In the first contract, loggers made cut- or leave-tree decisions. They cut and sorted following “generic” contract specifications. The timber was sold “in the deck.” The FFP had to revise this process because generic lengths did not fit the requirements of the mill that purchased the logs.

For the second service contract, contractors estimated the amounts and types of products to be removed; an “on the stump” sale was held. Potential purchasers bid (on a per ton basis) for harvest products, up to a specified maximum volume. The contract was awarded prior to treatment so the stewardship contractor had the mill’s specs to use in determining lengths and sorts.

One way to maximize product values occurs when purchasers are able to order desired amounts and types, cut to their precise specifications and delivered to their facilities. The resulting “delivered log contracting” process is now being tested in the Paint Emery Stewardship Demonstration Project. Three different mills are buying various parts of the estimated harvest volume during the stewardship contract period.



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