

Strategic Utilization of Business and Workforce Capacity for Natural Resource Management



A Cooperative Assessment Project of the Ecosystem Workforce Program and the
Coos Bay, Eugene and Lakeview Districts,
Bureau of Land Management

Final Report

April 2004



Charles Spencer

Ecosystem Workforce Program
Institute for a Sustainable Environment
University of Oregon

ECOSYSTEM WORKFORCE

WORKING PAPERS

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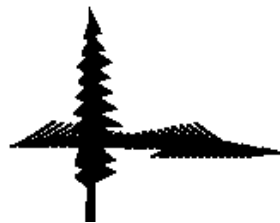
UNIVERSITY OF OREGON



**The Ecosystem Workforce Program
Institute for a Sustainable Environment, University of Oregon**

The *Ecosystem Workforce Program Working Papers* series offers in-depth reports on applied research, analysis and findings about a variety of areas associated with the effort to build quality jobs in ecosystem management. The target audience includes policy and administrative leaders, academics, leaders in community forestry, community-based organization leaders, and local community officials.

The Bureau of Land Management and the Forest Service have relied extensively on procurement contracting—the purchase of goods and services—in addition to internal personnel to accomplish resource management work—tasks such as site preparation, tree planting and thinning, and a variety of forest and watershed restoration activity. If external business and workforce capacity is to be an integral part of stewardship of federally managed natural resources, then federal land management agencies must take a strategic approach to the use of that capacity. This means having a clear idea of “where we’ve come from,” in order to chart the future. This report is the result of EWP’s cooperative project with the Coos Bay, Eugene, and Lakeview Districts of the Bureau of Land Management to assess business capacity and workforce utilization in communities local to the three districts. We hope this information and approach will be useful to the three districts, their local partners, contractors, other agency units and communities as a resource for similar assessment, project planning and procurement.



ECOSYSTEM WORKFORCE PROGRAM

BUILDING A SUSTAINABLE, HIGH-SKILL/HIGH-WAGE ECOSYSTEM MANAGEMENT INDUSTRY

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1. Introduction

The Ecosystem Workforce Program (EWP) prepared this report for the Bureau of Land Management (BLM) and its partners as the final step in a cooperative assessment project with the Coos Bay, Eugene and Lakeview BLM Districts. Our goal in this report is to provide information and assessment to assist the three districts and their partners in exploring opportunities to enhance effective use of external businesses and workforce capacity to help achieve the resource management objectives of the agency. The objective of our cooperative project with the Bureau of Land Management was a joint effort of the BLM and the EWP to assess business capacity and workforce utilization in communities local to the three districts. Our common purpose is to:

1. help land managers better understand current contractor capacity for ecosystem management,
2. help land managers use that capacity to meet changing resource management needs while optimizing rural community benefit,
3. assist contractors, workers and communities to better understand the goals and capture opportunities in ecosystem management.

We hope this information will be a useful resource for the three districts, local partners and the BLM Oregon state office in exploring available federal contracting data and developing focused planning questions to guide future project planning and procurement. This report is the final report to BLM partners, and serves as a draft report for contractors, workers and partners outside the BLM. The final external report will be issued after review and comment by BLM partners.

The Bureau of Land Management and the Forest Service have relied extensively on procurement contracting—purchase of goods and services—in addition to internal personnel to accomplish resource management work—tasks such as site preparation, tree planting and thinning, and a variety of forest and watershed restoration activity. If external business and workforce capacity is to be an integral part of stewardship of federally managed natural resources, then federal land management agencies must take a strategic approach to the use of that capacity. This means having a clear idea of “where we’ve come from,” in order to chart the future.

For the past decade federal land management agencies and the external contractor and workforce base have had to expand their ability to rapidly and effectively adapt to changing needs. Agencies need solid information on existing capacity and potential, and on opportunities for better utilization of capacity. Rural businesses and workers need information on emerging demand, and resources to help them adapt to meet that demand.

Monitoring questions:

This report focuses on a specific set of questions developed with three BLM districts to begin shedding light on some local parts of the larger procurement issues. Coos Bay, Eugene and Lakeview District BLM managers, contractors and forest community leaders need to know if contractors in nearby communities have realized new opportunities in this work, and if the agencies have been able to meet their needs. And both agencies and contractors are interested in knowing how well contractors have been adapting to the addition challenge of the recent shift to

electronic commerce in BLM and Forest Service procurement. This assessment is one step in finding out, “How are we doing?”

Based on the broad purpose and objectives identified in the cooperative agreement, and on discussions with district line officers and staff to refine the work plan, we developed monitoring questions that fit these objectives and the available data, and established a useful definition of “local” in order to discuss local contract capture and opportunities. The following common monitoring questions guided our information gathering for all three districts. In a later section of the report the particular concerns and questions of the districts are addressed.

1. How much and what kind of work did the three BLM districts contract between 1990 and 2002 and how did this work change over time?
1. How were the contract awards distributed across local and nonlocal business, and how did this change over time?
2. Are there geographic patterns among non-local contract awardees, and did they vary over time or by work type?
3. How does BLM procurement workload (and contract opportunities) vary by the quantity and dollar size of contract awards, across various work types, and over time?
4. What is the local business capacity in the industry categories associated with BLM’s service contracts?
5. What is the market structure and concentration among contractors across Oregon and in the local areas?
6. How are local businesses finding out about BLM service contract opportunities?

2. Methods

Procurement records: Our primary source of information on past contracting is federal procurement records gathered and analyzed by EWP for other monitoring projects. The data is drawn from the Federal Procurement Data Center’s database that includes information from all federal agencies compiled from the SF-279 form that each federal agency must fill out for contracts with an estimated value above \$25,000. Our data set includes contracts from Forest Service and BLM in western Oregon and Washington and northwestern California awarded between fiscal years (FY) 1990 and 2002. All data are reported by federal fiscal year. The dataset includes product service codes (PSC) that are related to land management, broadly defined. That is, the dataset includes contracts related to forestry and watershed management such as thinning, brushing, piling, noxious weed control, biological surveying, riparian restoration, road construction and maintenance. The dataset does not include activities such as building construction, fire suppression or copier repair and does not include any purchases of goods.

The Bureau of Land Management Oregon State Office manages all procurement activity for contracts over \$25,000. District-level procurement specialists manage contracts between \$2,500 and \$25,000. Discussions with BLM partners concluded it would be important to include the small contracts to get a complete picture of contracting activity. We

added information from local contracting registers to the data provided by Federal Procurement Data Center. The contract registers provide information on contracts valued between \$2,500 and \$25,000. The availability of local contract registers varied from one district to another. The Coos Bay District BLM provided contract registers for 2000 through 2002, the Eugene District for 1990 through 2002 and the Lakeview District for 1996 through 2002. Comparison of the three districts' procurement in the \$2,500 to \$25,000 range can therefore only be made on the 2000 through 2002 period; but we will provide information on all years for which data are available.

Unit of observation: Individual contract actions are the unit of observation for all discussion of contracting activity. The Federal Procurement Data Center records track data by task order. We defined the value of a contract to be the total amount of money entered into the database with the same contract number within each year. The value of the contract is the sum of the dollars obligated with each task order. We corrected the contract values for inflation and all value data are reported in 2002 dollars. All tabulations of information on the amount of contract activity, type of work, location of work and, and location of contractors include information from both the local contract registers and the Federal Procurement Data Center. For some of the following analysis we compare aggregate values for 1990 to 2002, 1995 to 1997, and 2000 to 2002 in order to reduce the impact of year-to-year variation and identify longer-term trends.

Location of work: The Federal Procurement Data Center records the location of work at the county level. Consequently, we report most information about procurement at the county level rather than at the BLM district level. In the case of the Eugene and Lakeview Districts, gathering information on BLM contract work located in Lane, Linn and Benton counties, and Klamath and Lakeview counties respectively provides an exact fit with the districts. But, Coos Bay District lands are located in Coos, Curry, and part of Douglas counties. Other BLM districts manage lands in Douglas County as well, and we have no way to distinguish which district Douglas county work was located in. Consequently, our analysis only includes contracts performed in Coos and Curry Counties valued above \$25,000 because those in Douglas County could not be distinguished from contracts performed on other district, and work in the other district was likely to make up the majority of the work. Contracts listed in the Coos Bay local contract register are clearly identifiable as Coos Bay work (including work in Coos, Curry or Douglas), and are included in tabulations with Coos and Curry county contracts over \$25,000. However, district level contract registers do not include the county of the work site, just district information. Consequently these contract actions are listed with "unknown" in the county category in this report. Contracts listed in local contract registers are the only cases that appear with "unknown" county.

Defining "local:" Definitions of what is a local business vary widely depending on context, who is doing the defining, and change over time. In assessments of the local impact of contracting opportunities some consistent measure of the local-ness of the contract awardee is needed. There is, however, no standard or universal definition. The definition should properly be derived locally, and may well need to change over time. It is, therefore, important to preserve the most detailed common location information about contractors (e.g., city or zip code as well as county)

and about the location of work (county). We worked with partners at each of the districts to identify the counties that would be considered “local” for each BLM district (Table 1)

Table 1. “Local” Counties for the BLM districts

District	County
Coos Bay District	Coos
	Curry
	Douglas
Eugene District	Benton
	Lane
	Linn
Lakeview District	Klamath
	Lake

Types of work: We divided the product service code (PSC) information, provided by Federal Procurement Data Center on each contract, into three categories—labor intensive, equipment intensive, and technical—based on the type of work that contracts with particular product service codes were likely to involve. Activities such as tree planting and thinning were classified as labor intensive whereas activities involving heavy equipment, such as road maintenance, were considered equipment intensive. Technical work would include activities such as species surveys or environmental assessments. This was a rough categorization because our conversations with Forest Service and BLM procurement technicians suggested that some product service codes involve a wide variety of work types. For example, “other natural resource and conservation services” includes technical work such as species surveys, but also includes non-technical such as rock crushing. In addition, the way the agencies chose product service codes varies over time and from person to person.

Contractor information: Exploration of existing business capacity to meet the BLM districts’ needs for contracted resource management work required a more complete set of data than is included in the procurement contract data set described above. But there is not single source of comprehensive information on this industry sub-sector. We were interested in businesses that do not contract with the agency as well as those who are located in the “local” counties and have similar businesses but have not contracted with the BLM recently. In addition to drawing contractor names from the SF-279 data for these districts and the contract registers, we also identified contractors who had worked for any Forest Service and BLM unit in Oregon, Washington, and northern California. We also included contractors listed in Pro-Net with relevant NAICS codes, in the State of Oregon’s forest-farm labor license list, in the Oregon Department of Forestry contractor list, the Oregon Labor Market Information System’s employer database, and other names of contractors the EWP had in its data base. We were not able to obtain contractor names from the Government Contract Assistance Program database, as this information is considered confidential. We assigned the same industry categories used in the federal contracts data set to the firms in our contractor database, based on the NAICS or SIC

code, or—in some of the cases without NAICS or SIC codes—based on our knowledge of the firm. *Forest & Range Work* includes forestry services, logging and other firms with NAICS codes in the 2-digit NAICS category 11, and occurring in federal contract records. *Road and Watershed Construction Work* includes construction firms in NAICS Codes beginning with 23 that are assigned to federal resource management contracts. *Other Construction Work* includes firms with NAICS codes in the 2-digit NAICS category 23, 32 or 53, frequently occurring federal contract records, but not in *Road and Watershed Construction Work* (based on analysis of Product Service Codes and NAICS codes). Technical Work includes firms with NAICS codes in the 2-digit NAICS category 54 or 99 and frequently occurring in federal contract records. Table 9 in the section on Local Contractor Capacity below shows the frequency of all the key NAICS codes assigned to BLM contracts from 1990 through 2002.

Industry categories: To describe the size and diversity of existing local business capacity a standard business activity category is needed. The accepted system for describing industry sectors and sub-sectors is the North American Industry Classification System (NAICS), which replaced the Standard Industry Classification (SIC) system in the 1990s. (Our Forest Service and BLM contract data suggest that the transition from SIC to NAICS was completed in the two agencies by 1998.) Industry classification is based on a variety of attributes including business activity and capacity as well as products or services. Unfortunately the product service codes used by the federal procurement data system have no consistent relationship to SIC or NAICS codes, as they measure different (though overlapping) sets of attributes. Federal procurement records do include a NAICS code associated with each contract action. But information from federal procurement managers suggests that these are designated during the contract solicitation preparation stage to help identify the likely contract bidders,. As with assignment of product service codes, assignment of NAICS codes vary across districts and over time. An added difficulty is the fact that NAICS code designation by businesses also varies. Thus it is only a rough categorization, and there is no reliable “crosswalk” between types of work and types of businesses.

Significance of data at the district level: Finally, because the sample size of procurement in a single BLM district is small, it is often impossible to interpret or assign much importance changes specific from year to year or across different work categories or county boundaries. The low number of cases means that significant changes cannot be distinguished from chance variation or the unavoidable errors in coding work type or other categories. It is important to be cautious when looking at these data at the district level, and search for the larger patterns—those that stand out over several years or due to significant differences in dollar values, for example

3. Amount and Type of Work

The first step in assessing procurement contracting patterns is to determine the amount of work in aggregate, and how the amount of work varies across various types of work and over time. The contract award level in adjusted dollars (2002 dollars) is the most useful measure of the amount of work, although it is sometimes important to look at the number of awards or mean contract award for a given work category or period of time. The information on the amount of contracted work in the following sections will generally rely on adjusted award dollars as the

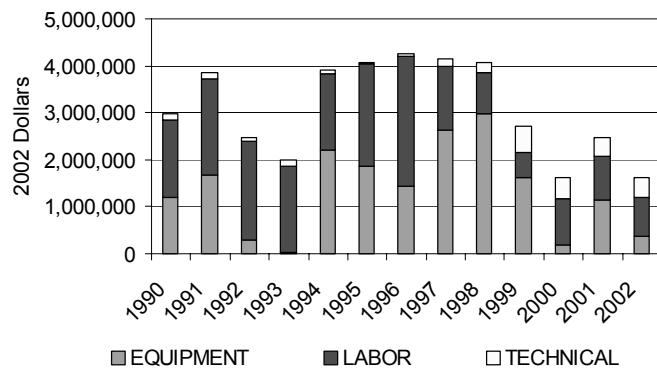
measure of the amount of work, as will the discussion of contract awards to local and nonlocal and nonlocal businesses.

Table 2. Value of Contracts for Coos Bay, Eugene and Lakeview Districts, 1990 – 2002

Contract award totals by type of work (2002 \$ x 1,000)				
District	Total Awards	EQUIPMENT	LABOR	TECHNICAL
Total contact award value				
Coos Bay	40,179	17,637	19,671	2,87
Eugene	32,726	14,426	14,069	4,231
Lakeview	15,026	1,314	12,869	843
Total:	87,931	33,378	46,608	7,945
Average award value				
Coos Bay	54	86	46	27
Eugene	40	82	31	22
Lakeview	64	57	82	16
All Contracts:	49	83	45	23

From 1990 through 2002 the Coos Bay, Eugene and Lakeview Districts ranked first through third in total expenditures, and in heavy equipment and labor-intensive work as well (Table 2). The districts follow the same ranking in average award value for heavy equipment and labor-intensive work. But Lakeview District had the highest average award value for labor-intensive work—enough so that the Lakeview District’s average award value for all work types was higher than the other two districts.

Figure 1. Total contract awards, 1990 - 2002, Coos Bay District BLM, 2000 dollars; Total: \$40.2 million



To explore opportunities for improving the alignment of local contractors with the districts' contracted work needs it is necessary to see how expenditures changed through the study period and across the three work categories. Figures 1 – 3 show both aggregate award totals and a portion of the total for each work type.

In each of the three districts there was considerable variability in expenditures by work category and over time. This is no surprise either to contractors, who have had a hard time finding predictability in federal contracting over the past 10 to 15 years, or to federal land managers, who have had to adapt to a rapidly changing policy framework and inconsistent funding.

The Eugene and Coos Bay Districts follow a similar pattern, with reduced overall expenditures after 1991, increasing to above the 1991 level in the middle of the 1990's (including a significant increase in the portion of heavy equipment work) and decreasing again after 1998. Both districts are in the area of the Northwest Forest Plan, which led to an increase in restoration activity after 1993, following a decrease in traditional contracted work after 1991. Much of the increased work involved heavy equipment to perform road stabilization and aquatic restoration. Both areas were also affected by the 1996 flood, which resulted in a significant investment in contracted mitigation work. However, there is no way to tell from the data if these or other factors had a role in the somewhat similar changes over the period.

Lakeview District, unaffected by either of these factors, had a different contract award history over the study period, with total annual expenditure well below the other two districts through 2000 and increasing substantially in the last two years, most likely caused by National Fire Plan expenditures. Lakeview District's labor-intensive contracts were 67.2% of all contacts over the study period, compared to 58.1% and 54.8% for Coos Bay and Eugene. But, because the average size of Lakeview District's labor-intensive contracts was well above the other two districts, the expenditure total for labor intensive work was 85.6% of Lakeview Districts contact expenditures, compared to 49% and 43% of the other two districts. The unusual increase in labor-intensive work in 2001 (and to a lesser extent in 2002) included \$2.3 million and \$2.6 million in the *thinning* and *other range-forest improvement/non-construction* product service categories. We

Figure 2. Total contract awards, 1990 - 2002, Eugene District BLM, 2000 dollars; Total: \$32.7 million

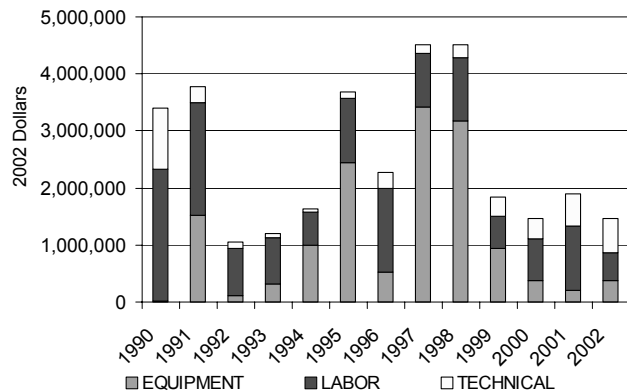


Figure 3. Total contract awards, 1990 - 2002, Lakeview District BLM, 2000 dollars; Total \$15 million

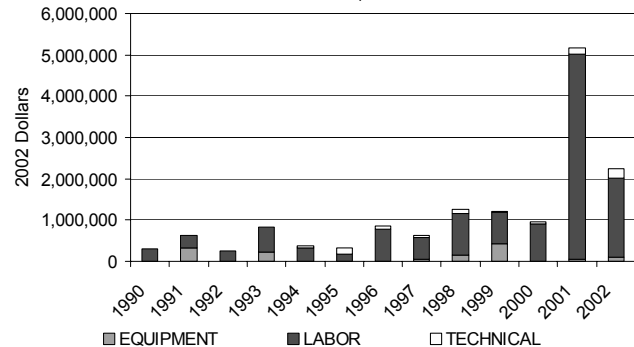
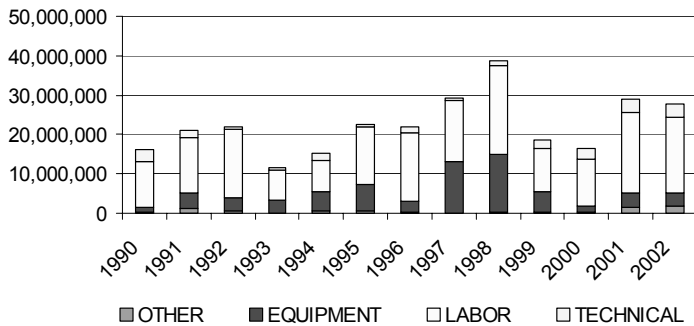


Figure 4. Total Contract Awards, 1990 - 2002, All BLM Districts in Oregon



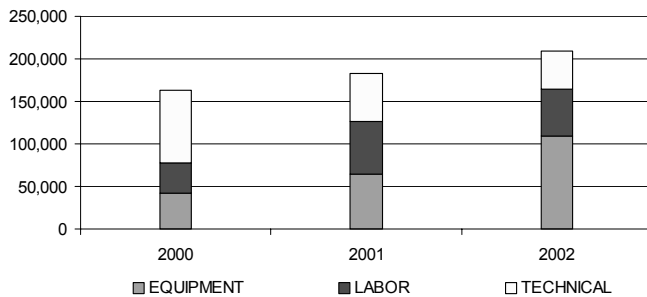
cannot determine from the data how much of this expanded thinning work was due to implementation of the National Fire Plan in 2001, but this seems likely.

Generally the total distribution of award dollars across the work types, and across the study period, includes a higher proportion of heavy equipment award dollars in the three districts than in BLM contracting in all Oregon districts as a whole (Table 3). The statewide distribution of BLM awards is also more

even than the distribution of Forest Service awards over the same period (Moseley, Under review).

Contracts Under \$25,000: All of the information above includes both Federal Procurement Data Center and local contract register information (under \$25,000). Unfortunately local records were not available for the whole study period in the Lakeview and Coos Bay districts. Consequently there is some inaccuracy in our totals over the whole period. Because the total for contract awards under \$25,000 is only 5% of all awards for the three districts, comparisons across districts are useful.

Figure 5. Local Award Totals by Work Type (< \$25,000), Coos Bay District BLM, 2000 - 2002



comparisons across districts are useful.

Eugene and Coos Bay Districts procured a significantly larger portion of technical work locally, than was the case for contracts over \$25,000 procured by the BLM State Office. This indicates there can be smaller contract opportunities in technical work, which could go to small businesses in rural communities.

Figure 6. Local Award Totals by Work Type (< \$25,000), Eugene District BLM, 1990 - 2002

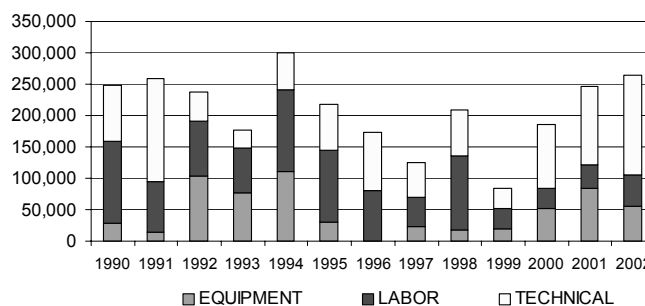
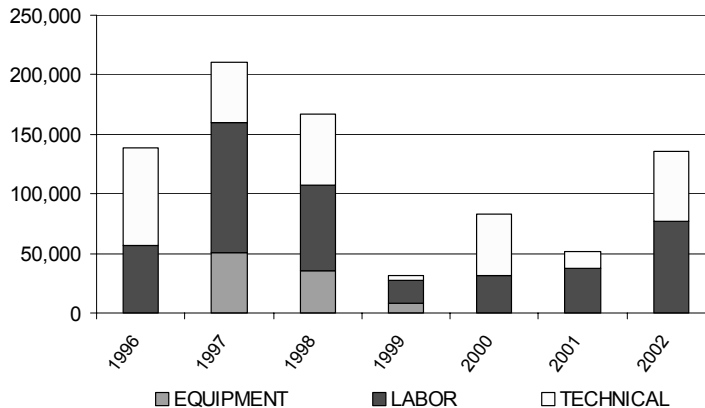


Figure 7. Local Award Totals by Work Type (< \$25,000), Lakeview District BLM, 1996 - 2002



4. Utilization of Local Capacity

Oregon contractors in the Pacific Northwest market: Before looking at utilization of local capacity in the three BLM districts it makes sense to understand the big picture in Oregon and in the Pacific Northwest. At the statewide level federal procurement records of Forest Service and BLM service contracts from 1990 to 2002 show a total 3,474 separate contractors receiving contract awards in Oregon, California and Washington, of which 50% are Oregon Contractors. Not surprisingly 50% of the total \$1,113 million contract award dollars was for work in Oregon (See Table 3). Oregon contractors captured 86.8% of BLM and Forest Service work in Oregon, 21.9% in Washington and 10% in northern California. And Oregon contractors' share of work in their own state was higher than that of their counterparts in either of the other two states.

Table 3. Contract awards to Oregon, Northern California and Washington Contractors for All Bureau of Land Management and Forest Service Work, 1990–2002*

(2002 dollars)						
Location of work	Total contract dollars by state	CA contractors' % of Dollars	OR contractors' % of Dollars	WA contractors' % of Dollars	Other states & Canada % of dollars	Total
No. CA	826,778,642	82.81%	10.05%	0.65%	6.50%	100%
OR	1,113,315,283	3.61%	86.76%	4.10%	5.53%	100%
WA	273,944,625	2.31%	21.90%	65.15%	10.63%	100%
Total	\$2,214,038,551	33.02%	50.09%	10.37%	6.52%	100%

Oregon contractors received a slightly larger share of BLM work in Oregon (88.6%) and that share seems to have held, with some variation, throughout the study period (See Table 5). Both the total dollar volume and the Oregon contractor capture rate increased in the middle years and at the end of the period compared to the first three years. Ten of the fourteen contractors capturing the top 25% of all contract awards were Oregon firms. And, among those active throughout the thirteen-year period, all but one of the fifteen contractors receiving the largest award totals (comprising 50% of award dollars among firms active throughout the period) were Oregon firms. Oregon is clearly the most active state in federal contracting for natural resource work the in the Pacific Northwest.

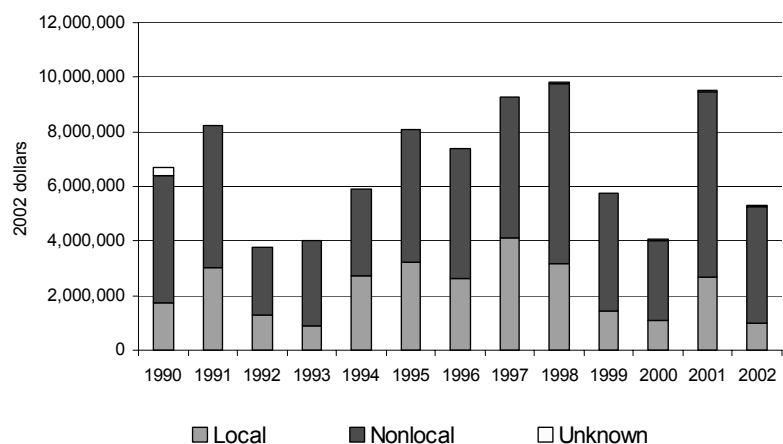
Table 5. Oregon Contractor Share of BLM Awards in Oregon

Years	Total Oregon Awards	OR Contractor Awards	% OR Capture
1990 - 1992	59,021,470	49,006,980	83.03%
1995-1997	73,757,860	66,535,119	90.21%
2000-2002	73,105,577	65,192,632	89.18%

These dominant features of the marketplace have multiple implications for contractors, federal agencies, other forest landowners, and for communities in Oregon. Those exploring opportunities to meet federal agency needs, while providing opportunities for rural communities in Oregon, for example, might expect that with more work in Oregon and a higher Oregon capture rate we have a solid foundation for achieving a balance of awards to large and small contractors, local and nonlocal. Other analysis below, across various types of work and industry categories, generally confirms this notion; we seem to have a good foundation that has not significantly eroded in the past decade.

Utilization patterns among the districts: The federal procurement data and local contract registers allow us to look in some detail at the number of awards to local versus nonlocal contractors. We discuss here local capture at the three-district level, the district level and, where appropriate, at particular work types. Information for each year is shown where changes over time may be important. The local capture rate for the three BLM districts as a whole has been generally strong. The slight increase in local capture in the mid-1990's (See Figure 8.) may not be significant, as the number of cases is small and a number of variables may be influencing the results for each year. However the Lakeview District did not experience an increase in the amount or local capture rate in the mid 1990's, which may suggest factors

Figure 8. Contract Awards to Local and Nonlocal Contracts, Three BLM districts, 1990 - 2002



peculiar to western Oregon—such as the Northwest Forest Plan and the 1996 flood, both of which might have led to higher total local capture¹—may have influenced this increase in local capture as well as total amount (See Figures 9 – 11 below.). In any case the aggregate local capture rates after 1998 appear to have returned to the levels experienced in the early 1990’s.

The Coos Bay, Eugene and Lakeview Districts procured a total of \$87.9 million across all work categories, from 1990 through 2002. The overall local capture rate for the three districts was 32.3%. (See Table 6.) The thirteen-year capture rate for Coos Bay District was 39%, Eugene District 15%, and Lakeview 14%. In each of the districts, following patterns in the region, heavy equipment work utilized local contractors more than labor-intensive and technical work. In Lakeview District procurement activity was unusually high in 2001, with 34% of all awards for the period occurring in that year. (See figure 11.) The total local capture for those years, excluding 2001, is 9% compared to 14% when 2001 is included. Labor intensive and heavy equipment work account for most of the sharp increase in total procurement volume in 2001 and, to a lesser extent in 2002. Lakeview District may well find lessons in the 2001 and 2002 seasons that could help increase opportunities in future years. If the increase in the total award amount and local capture in 2001 was due solely to National Fire Plan investment, appropriations levels will be a significant factor. But there may be other factors local managers can explore to find new opportunities.

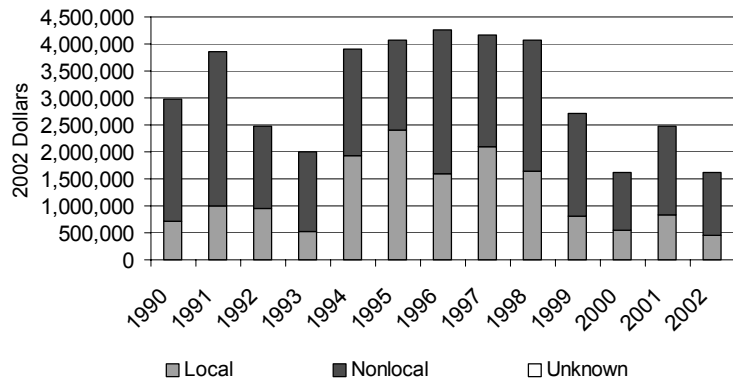
Table 6. Summary of local capture rate for all work types by district, 1990 -2002

Work Type	Total	Local	% Local	Nonlocal	Unknown
Coos Bay District					
Equipment	17,637,459	10,149,225	57.54%	7,488,234	
Labor	19,671,107	4,984,074	25.34%	14,687,033	
Technical	2,870,604	374,050	13.03%	2,488,689	7,864
Subtotal:	40,179,169	15,507,349	38.60%	24,663,956	7,864
Eugene District					
Equipment	14,425,814	6,064,331	42.04%	8,313,876	47,606
Labor	14,068,710	4,093,450	29.10%	9,891,627	83,632
Technical	4,231,194	1,277,532	30.19%	2,627,747	325,915
Subtotal:	32,725,718	11,435,314	34.94%	20,833,250	457,153
Lakeview District					
Equipment	1,314,294	198,809	15.13%	1,115,485	
Labor	12,868,589	1,759,972	13.68%	11,054,446	54,171
Technical	843,358	92,502	10.97%	681,078	69,779
Subtotal:	15,026,241	2,051,283	13.65%	12,851,009	123,949
Total, 3 districts:	87,931,128	28,993,946	32.97%	58,348,215	588,967

¹ The Jobs in the Woods program provided waivers to foster local utilization. As was noted above, both Eugene and Coos Bay Districts experienced higher volume of heavy equipment work in the two years following the 1996 flood. This kind of work is associated with a higher local capture rate. (Moseley and Shankel, 2000)

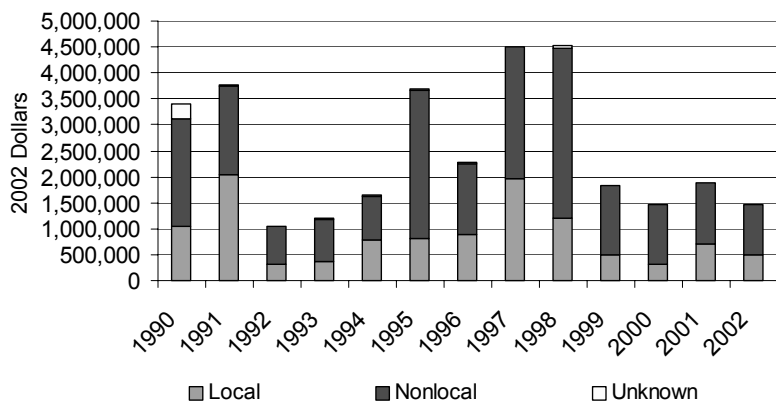
The higher local capture rates in the Coos Bay District, especially for heavy equipment work, suggest interesting questions from a community economic development standpoint. It is likely that economic characteristics of the south coast region help drive these differences between Coos Bay and both the Eugene and Lakeview Districts. Like Klamath and Lake counties, Coos, Curry and western Douglas counties are remote from major metropolitan areas, though considerably less remote than Klamath and Lake. (The remoteness of the south coast is driven less by distance than limited access via two-lane roads connecting the area to population centers along the I-5 corridor.)

Figure 9. Contract Awards to Local and Nonlocal Contractors, Coos Bay District BLM, 1990 - 2002



Unlike the two south-central Oregon counties, the south coast area has had a relatively high population density. Perhaps, being far enough from the Medford, Roseburg and Eugene-Springfield areas to foster local procurement and, having enough of a business base to do so, contracting in the south coast can more successfully utilize local capacity. If this is true, there would be momentum in the service contract market: The more buyers can rely on local service contractors, the more those businesses will stabilize and be an economic contributor to local communities, while increasing agency reliance on them.

Figure 10. Contract Awards to Local and Nonlocal Contractors, Eugene District BLM, 1990 - 2002



Eugene District on the other hand is based in a major metropolitan area, and through the 1980's and early 1990's was one of the three communities with where forestry services contractors captured the highest amount of work in the Pacific

Northwest. It is also only 60 miles from Salem by interstate highway. (The Salem and Medford areas are the other two communities with leading contractors in labor-intensive work.) Eugene District procurement of labor-intensive work dropped off sharply after 1991, with varying local capture rates from 1992 through 2002. Does its proximity to labor contractors in the Salem area and other parts of the populous Willamette Valley make the Eugene District less likely to rely on local contractors? Perhaps needs are met equally well by businesses elsewhere in the Willamette

Valley. If so, it is worthwhile for district managers to ask why there was less reliance on local labor contractors after 1996? (See Figure 16 in Appendix D)

These patterns will be discussed at the district level, as we look at patterns in local and non-local capture by contractor county. At the statewide level these patterns suggest an overriding question for BLM Districts and National Forests throughout the state: What are the distinct market characteristics of each area (one to four-county)? And what are the appropriate strategies and targets for local utilization that best fit area

conditions and meet district resource management needs? It is clear, in other words, that the optimum level of utilization of local capacity may be entirely different from one area to another, and is likely to change over time, as management needs and the economic dimensions of communities change. Unfortunately we were not able to compare utilization patterns of the three districts to local and nonlocal capture in BLM Districts not in study. Clearly an important step in developing a more complete picture of the three districts' utilization patterns, this comparison must wait for a future assessment.

District level utilization patterns: As we turn to more detailed information at the district level it is important to re-state the limitations of district-level data. Due to the small number of cases at the district level there may not be statistical significance in changes from year to year or across types of work, and we need to look for large-scale differences, or differences over a number of years in order to suggest significant patterns.

Heavy equipment work in the Coos Bay District had the highest local capture rate among all three types of work in the three districts—58% of heavy equipment contract dollars in Coos Bay District went to local contractors over the thirteen year period. Local capture remained consistently high each year after 1991. (See Figure 12) Local capture of heavy equipment work in the Eugene District was also

Figure 11. Contract Awards to Local and Nonlocal Contractors, Lakeview District BLM, 1990 - 2002

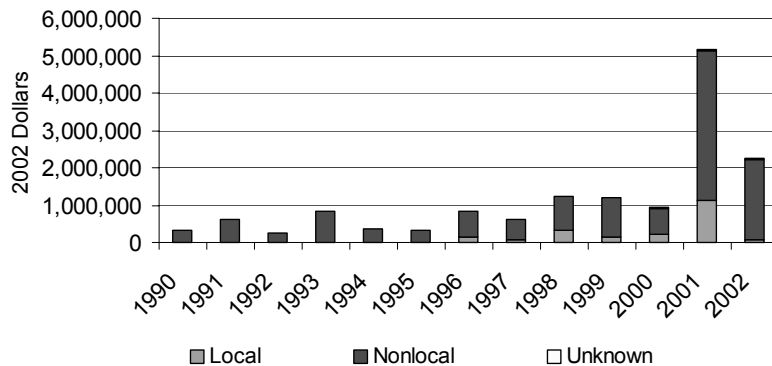
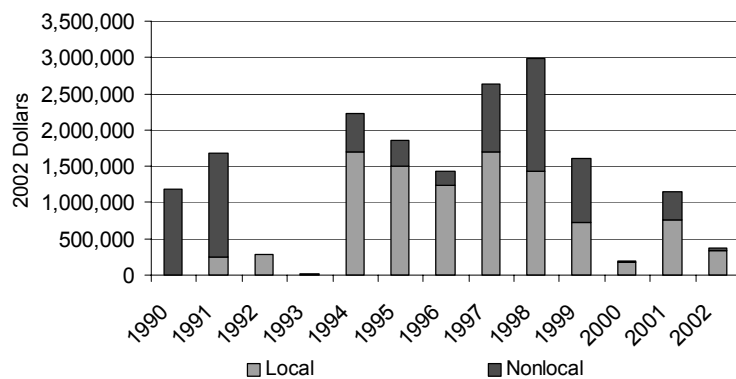


Figure 12. Local and Nonlocal Award Totals, Equipment Work, Coos Bay District, 1990-2002

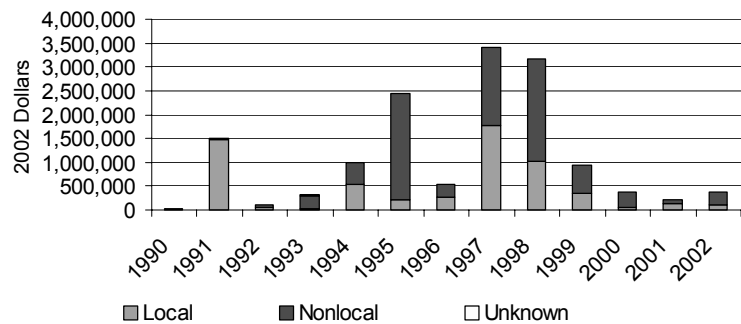


high (42%) but varied widely over time. (See Figure 15 below and other related figures in the Appendix D.) There was also greater variance in total expenditures in this work category than in the Coos Bay District. In years with less than \$500,000 in heavy equipment it is possible that differences in annual local capture rates are not statistically significant. It is clear however that, given a sufficient level of investment, local contractors can do well in this work. Although EWP has not yet done a thorough analysis of other BLM districts and the National Forests using this federal procurement data set, our experience tells us that 42% is a very strong local capture rate.

Local contractors in the Lakeview District captured none of the heavy equipment work except in 1997 through 1999. But the local capture rate over that three-year period was 32% and 86% in 1998. Two awards went to one Lake County firm in 1997 and four awards went to two Klamath County firms in 1998 to 1999.

There may be limited opportunities to repeat these local capture rates in the future as most of the local capture was in paving-related road work. The work of Lake County Resources Initiative (LCRI) has shown that there are local businesses that can perform “dirt” (non-paved) road work and other heavy equipment work, and LCRI is a potential resource for increasing market communication with those firms if there is likely to be significant forest road or restoration work for heavy equipment in the future. Because 55% of all heavy equipment work for the study period was in the *construction/other conservation* product service category there may well be opportunities to explore.

Figure 15. Local and Nonlocal Award Totals, Equipment Work, Eugene District, 1990-2002



The local share of labor-intensive work also varied across the three districts. Both total expenditures and local capture in the Coos Bay district declined after 1996 (Appendix D). The Eugene District had a similar but less sharp decline after 1996, and expenditures varied from \$.5 to \$1.5 million compared to over \$2 million in 1990 and 1991. The 29% local capture rate for labor-intensive work in the Eugene District was the highest of the three districts. Lakeview District had no local capture of labor-intensive work until 1996. The discussion of the amount and type of work above highlights the five-fold increase in the amount of labor-intensive work in 2001, almost all of which was in the *thinning and other range-forest improvement/non-construction* product service code (PSC) categories. There was a high local capture rate in 2001 as well as 2002—22% compared to the average 16% over the whole period after 1996, indicating the presence of local capacity for thinning and associated work.

Technical work in the Coos Bay and Lakeview Districts had the lowest local capture rate of the three types of work. Local contractors did 30% of the technical work in the Eugene District, just over the 29% rate for labor-intensive work. This district, more than the other two, would be expected to have strong technical capacity and thus local capture rate, as it is based in a major

metropolitan area. There was no local capture before 1997 in the Coos Bay District and none before 1996 in the Lakeview District. (No technical work was procured in the Lakeview District in 1990 through 1993.) But in each case strong local capture does occur—\$195,982 (43%) in 2000 in Coos Bay, and \$30,467 (36%) in 1998 in Lakeview District. This is enough activity to suggest looking at what kinds of technical work was available. As might be expected the work in the two districts was different; they are completely different natural systems. In the Coos Bay District 68% of the technical work was in the *other natural resource management and conservation* PSC category, all of it in contracts over \$25,000. And 78% of the locally procured technical work in the Coos Bay District (2000 - 2002) was water monitoring. In the Lakeview District 29% of the technical work was in the *study/environmental assessments* PSC category. All of these contracts were over \$25,000. Of the locally procured work (1996 - 2002) 88% was related to cultural resources. These patterns alone do not necessarily suggest technical specialties that might provide more opportunities for local contractors. The focus of technical work especially is likely to change over time. But it is a starting point for local partners looking for opportunities to engage local technical capacity.

Exploring geographic patterns among contractors: Partners in each of the districts were interested to see if there were any geographic clusters or other patterns apparent among the local and nonlocal contractors with the highest contract award totals. Past EWP analysis of Forest Service and BLM service contract procurement in 1998 and 1999 indicates a very strong concentration of contractors with headquarters located along the I-5 corridor in Oregon and Washington. (Moseley and Shankle 2001) Firms based in the Medford, Eugene-Springfield and Marion County areas in particular were among service contract market leaders in Oregon and Washington. More recent EWP studies suggest these patterns may have changed since 1999. (Moseley and Toth) For this study we were not able to use GIS to create a detailed picture of contractor locations as we did in earlier studies, and relied instead on the county contractors are located in to describe the geographic distribution contractors working in the three districts. At the county level the distribution of contractors for the three districts from 1990 to 2002 appears to somewhat, but not completely, reflect the patterns seen in the earlier study of 1998 and 1999 contracts for BLM and Forest Service work in Oregon and Washington.

Over the thirteen-year study period BLM contract awards went to contractors in 31 of the 36 Oregon counties (all but Columbia, Gilliam, Morrow, Sherman and Wheeler Counties). Of the 87% of BLM dollars spent in Oregon that were captured by Oregon Contractors (Table 3 above), 27% of the total went to businesses in Marion County, 59% to the top three counties combined and 78% to the top six counties. (Table 7) Marion County and third ranked Josephine County had the highest average contract awards. Of the eight counties local to the three BLM districts studied, Lane, Douglas and Coos Counties ranked 4, 5 and 6, respectively among the top six contractor counties for total awards in all BLM districts in Oregon.

In each of the three districts firms from three counties were awarded 50 % of the contract award dollars; and firms from seven counties claimed 75% of the award dollars in Coos Bay and Eugene Districts. Five firms claimed the top 75% of award dollars in Lakeview District. (See Table 8) Work was performed by contractors from a total of 30, 32 and 24 counties in the Coos Bay, Eugene and Lakeview Districts respectively (including contractors from all states). Firms

from two local counties in the Coos Bay District, two counties in the Eugene District, and from one local county in Lakeview District were among the counties with the top 75% market share.

Table 7. Oregon Counties' Capture of Contract Award Dollars in the 3 BLM Districts, and in All BLM Districts in Oregon (Top 6 Counties plus Curry, Klamath & Lake)

County & No. of Firms*	Work in the 3 BLM districts				All BLM work in Oregon			
	Total (2002 %)	% of total	Rank	Avg Award	Total (2002 %)	% of Total	Avg Award	Rank
MARION (84)	13,336,673	17.66%	1	65,698	69,193,722	26.89%	114,940	1
COOS (31)	10,558,221	13.98%	2	43,993	14,184,094	5.51%	51,767	6
LANE (81)	9,843,661	13.04%	3	34,661	18,162,838	7.06%	37,219	4
DOUGLAS (50)	8,568,669	11.35%	4	43,718	16,831,052	6.54%	37,569	5
JACKSON (63)	6,643,788	8.80%	5	59,854	42,933,934	16.68%	68,149	2
JOSEPHINE (22)	5,180,525	6.86%	6	105,725	39,160,885	15.22%	90,650	3
LINN (12)	3,166,651	4.19%	8	54,597	9,012,796	3.50%	56,330	8
KLAMATH (22)	2,086,007	2.76%	12	46,356	4,583,793	1.78%	45,838	11
BENTON (31)	1,636,836	2.17%	13	23,054	2,716,655	1.06%	22,829	13
LAKE (8)	332,798	0.44%	16	25,600	332,798	0.13%	25,600	21
CURRY (5)	224,716	0.30%	18	14,981	384,507	0.15%	19,225	20
Total, all OR counties:	75,508,681	100%		48,715	257,346,545	100%	64,741	

* Number of firms in each county receiving either BLM or Forest Service contracts, 1990 – 2002

The top rankings for work in the three BLM districts studied were similar to the ranking for work in all BLM districts in Oregon, with Coos, Lane and Douglas Counties ranking higher for work in the three districts than statewide. Firms in Coos and Lane Counties ranked first for total awards in their own districts with 25 % of the award dollars in each case. Firms in Douglas County, local to the Coos Bay District and adjacent to Eugene District, ranked third in both districts. Firms in Coos County ranked second for work in the three districts as a whole, after Marion County firms, and slightly ahead of Lane and Douglas County firms. Because Coos Bay District had the highest total expenditures of the three, and Coos County firms ranked first in the Coos Bay District, the differences between the three counties in the rank may reflect the total amount of activity more than the prominence of any particular county's firms. (Thirteen-year totals were \$41, \$32 and \$15 million for Coos Bay, Eugene and Lakeview Districts respectively.) Lane County firms, though ranked fourth for all BLM work in Oregon and first in the Eugene District, were ninth in the Coos Bay District, with 3% of contract dollars, and tenth in Lakeview District with 2%. Klamath County firms were fourth in their own district, but did no work in Eugene District and very little in Coos Bay District. Linn County firms were fifth in the Eugene District; tenth in Coos Bay District and did only 1% of the work in Lakeview District. Benton County firms were eighth in the Eugene District, sixth in the Lakeview District and did less than 1% of the work in the Coos Bay District. Contractors from Lake County ranked ninth in the Lakeview District, just ahead of Lane County, and captured only 2% of contract awards,

although these contractors ranked second in 1996 (capturing 11.2%) and third in 1997 (7.1%) and 1999 (9.9%).

Table 8. Contract Award Capture by Contractors in Top Ten Counties for each District

Contractor County	Total 2002 \$ x 1000	% of EQUIPT	% of LABOR	% of TECH
Coos Bay District				
Coos	9,916	33%	20%	10%
Marion	5,887	14%	17%	0%
Douglas 53% of awds.	5,367	25%	5%	2%
Lewis	3,001	0%	15%	5%
Jackson	2,972	4%	11%	0%
Clackamas	2,473	0%	12%	2%
Multnomah 78% of awds.	1,825	3%	0%	43%
Polk	1,321	0%	7%	1%
Lane	1,230	3%	2%	8%
Linn	1,112	0%	6%	0%
Total, all counties	40,179	17,637	19,671	2,871
Eugene District				
LANE	8,299	27%	25%	22%
MARION	6,430	17%	27%	5%
DOUGLAS 55% of awds.	3,194	18%	1%	12%
Lewis	2,335	0%	16%	1%
LINN	1,979	12%	2%	0%
MULTNOMAH	1,861	10%	0%	10%
POLK 77% of awds.	1,200	1%	8%	0%
BENTON	1,157	3%	3%	8%
JACKSON	717	1%	2%	6%
COOS	643	1%	0%	13%
Total, all counties	32,726	14,426	14,045	4,255
Lakeview District				
Josephine	4,158	0%	32%	5%
JACKSON	2,955	3%	21%	19%
DESCHUTES 60% of awds.	1,930	4%	14%	8%
KLAMATH	1,718	14%	11%	11%
MARION 78% of awds.	1,020	36%	4%	0%
BENTON	404	0%	2%	11%
Jefferson	385	0%	3%	0%
Denver (CO)	367	28%	0%	0%
LAKE	333	1%	2%	0%
Lane	314	0%	2%	0%
Total, all Counties	15,026	1,314	12,869	843

Among the contractors from nonlocal counties (outside any of the three districts) Marion County ranked first among the three districts as a whole, as well as among all Oregon BLM districts, with 18% of the total award dollars for the three districts, compared to 27% statewide. But Marion County contractors were not ranked first in any of the districts separately, and both the award totals and average award amount for contractors from Marion County declined though the study period. Marion County contractors had the highest award totals for labor-intensive work in Eugene District, with a strong presence throughout the study period, and in heavy equipment work for the Lakeview District, though winning contracts only in 1991, 1993 and 1994. A single contract in the *aerial fertilization/spraying* PSC category accounted for half of the total heavy equipment awards, and six *construction/other conservation* contracts in 1993 and 1994 accounted for the remainder. (Total: \$.47 million) The Lakeview District example highlights the difficulty in seeking patterns where there are very few cases. Clearly the single aerial fertilization contract does not make a pattern, and it is difficult to conclude there is significant reliance on Marion County Firms from six contract awards in another PSC category over a two-year period.

Marion County firms were fifth, behind first and second ranked Josephine and Jackson Counties, in labor-intensive work for the Lakeview District with varying award totals from 1990 through 1998 and none after that. This nine-year presence in this work category suggests some consistent reliance on these of firms. The absence of any Marion County firms after 1998 may be part of the pattern of declining Marion County awards identified in other EWP contracting analysis. (Moseley and Toth) Overall, in Lakeview District, Marion County ranked first in 1991 and 1995 but did no work in the district after 1998. Marion County firms were second in Coos Bay and Eugene District. They ranked second in labor-intensive work in Coos Bay and playing a strong role throughout the study period, and third in heavy equipment work but working in the district only in 1990 and 1991.

Marion County firms did no technical work for the Coos Bay or Lakeview Districts and over \$207,000 in technical work in the Eugene District in 1995, 1998 and 2002. Although Marion County firms received more contract dollars than any other county for work in the three districts and in all Oregon BLM Districts over the whole period, their share of contract awards declined over the thirteen years.

Jackson County firms ranked fifth in the three districts as a whole and second in all BLM work in Oregon. These firms ranked fifth in the Coos Bay District with 7% of the awards, ninth in Eugene District and second in Lakeview District with 20% of award dollars. They performed labor-intensive work in Coos Bay on and off through the period with a strong role in the last three years. Jackson County firms performed very little technical work in Coos Bay and some in Eugene District, but were first in Lakeview District technical work, although all of that work was in the last two years of the period. Jackson County firms' overall share of the three districts' work increased throughout the period, especially after 1999. Josephine County firms ranked sixth in the three districts, third for all BLM work in Oregon, and first in Lakeview District, but did only 2% of the work in Eugene District and 1% of the work in Coos Bay District. The Josephine County share of all awards in the three districts increased through the study period,

with average contract size varying substantially from year to year compared to the overall average of just under \$106,000.

Contractors based in Deschutes County (adjacent to the Lakeview District) and Polk County (adjacent to the Eugene District, and accessible to the I-5 corridor) played a significant role in the respective districts. Deschutes County firms ranked third among firms working in the Lakeview District. They performed work in all three work categories but were active intermittently, primarily in the later years and mostly in labor-intensive work. In the Eugene district these firms did heavy equipment from 1993 to 1995 and some technical work in the very beginning and in the last four years of the study period. They did no work in the Coos Bay District. Polk County firms were ranked seventh in the Eugene District, winning 4% of award dollars and eighth in the Coos Bay District with 3% of awards. In the Coos Bay District these firms were most active in labor-intensive work in seven of the thirteen years especially in 1993 through 1995. They did a modest amount of technical work (in 2000 only) in the Coos Bay District but none in the Eugene or Lakeview District. Polk County heavy equipment firms were active in the Eugene District only three years, ranking well behind their counterparts in neighboring Marion County. (Polk County firms ranked thirteenth, compared to third for Marion County firms). Polk County contractors were ranked fourth in labor-intensive work in the Eugene District but the total award amount for the thirteen years (\$1.1 million) was only slightly less than their total in the Coos Bay District where they ranked sixth in this work type.

Other significant nonlocal contractor counties included Multnomah and Clackamas Counties in Oregon and Lewis County in Washington. Multnomah firms did most of their work for Oregon BLM Districts in Lane and Clackamas Counties (19% in each case), followed by Coos County (11%). Contract awards for heavy equipment work comprised 43% of all Multnomah County firms' work for BLM in Oregon, and technical work was 39%. Among the three districts they played significant roles only in the Coos Bay and Eugene Districts where they ranked seventh (with 5% of the award dollars) and fifth (6%) respectively. In the Coos Bay District 68% of their award dollars were for technical work where they captured 43% of all technical contract dollars, winning contracts in all years but 1990 and with total annual awards increasing after 1997. 78% of their award dollars in the Eugene District were for heavy equipment work—primarily in the *Maintenance-Repair-Alt/Other Consrv Structure* PSC category—comprising only 10% of all heavy equipment work in the District, and limited to 1992, '95 and '96. Multnomah County firms also performed 10% of the technical work in the district, working in 1990 and four out of the last five years in the study period. Multnomah County firms worked only one year in Lakeview District performing technical work. Among the three districts, Clackamas County contractors worked primarily in the Coos Bay District, capturing 6% of all contract awards, mostly in labor-intensive work where they did 12% of the work, and working only from 1994 to 1999. They did only 1% of the work in Eugene District, all of it in labor-intensive work, and less than 1% in Lakeview District, exclusively technical work during four of the last five years of the study period.

Contractors based in Lewis County, Washington were active in all three districts, capturing 7% of the work in both the Coos Bay and Eugene Districts. Lewis County has a significant concentration of firms active in BLM and Forest Service work. Contractors based in this county did more work than contractors from any other Washington county, capturing 14% of all awards

to Washington firms. Over half of the awards to these firms were for labor-intensive work, followed by heavy equipment work. Over 96% of the work they did for BLM in Oregon was labor-intensive work. These firms did 32% of their Oregon work for BLM in Coos County (all of it labor-intensive work), 25% in Lane County (of which 93% was labor-intensive), and 15% in Douglas County (all labor-intensive work). Firms from Lewis County ranked third in Coos Bay District's labor-intensive work, capturing 15% of the work and playing a major role in this work every year except 1990. They also ranked third overall and for labor-intensive work in the Eugene District, capturing 16% of this work and playing a major role in each of the thirteen years. Lewis County firms worked in Lakeview District only in 1991 performing labor-intensive work.

The prominence of contractors based in Marion, Josephine and Jackson Counties reflected in other EWP studies is clearly present in the contracting history in Coos Bay, Eugene and Lakeview BLM Districts. But Eugene-Springfield firms, although on the I-5 corridor, did not play a significant role outside the Eugene District. This is the only significant geographic dominance among nonlocal contractors across the three districts however, as patterns varied among the districts with regard to the role of firms based in other nonlocal counties. Coos Bay District, for instance, appears to have relied on local or nearby firms to a great extent but, where using nonlocal firms, was as likely to award contracts to distant firms (e.g., labor-intensive work by firms in Lewis County, Washington) as to firms in closer nonlocal counties (e.g., Lane, Josephine or Jackson Counties). These patterns reinforce our suggestion, in the discussion of local capture above, that the districts appear to have their own distinct markets, and may have their own unique challenges and opportunities in future efforts to utilize local capacity.

5. Local Contractor Capacity

BLM and community partners interested in understanding the local and regional service contract market need good information on local business capacity as well as the history of demand—the actual utilization of capacity over time. Analysis of local capacity focuses here on monitoring questions 5, 6 and 7, relating to local market composition and structure and how local firms find information on BLM contracting opportunities. (See “Monitoring Questions” above) To provide an initial snapshot of contractor capacity we rely on the EWP contractor database described under “Methods” above. This is the most complete such resource we know of at this time, but we know it is incomplete. There are likely important contracting businesses we have missed. Our characterization of business or industry sub-sectors is based on variable information, as the accuracy of the list varies from one place to another. And over half of the firms listed in the three districts—although known to be in natural resource sector—are of unknown industry category because NAICS codes were not available.

An inherent obstacle in any assessment of any industry is the difficulty in aligning product or service categories with standard measures of industry or business activity. In our case the work types used in describing federal contracting activity—based on federal Product Service Codes—have little consistent relationship with standard industry classifications used to categorize businesses (either NAICS or SIC codes). For example, all road and watershed construction businesses (typically in 2-digit NAICS category 23) will most likely perform contract work in the heavy equipment category of PSC codes. But we know that many forest and range work businesses (typically in 2-digit NAICS category 11) do heavy equipment work also, and some do so exclusively. And many firms work in more than one work type category and identify themselves under more than one industry category. In spite of this imperfect fit between industry categories and our work type categories there is a strong association between our *Forest and Range Work* industry category and our *labor* work type category, and between *Road and Watershed Construction Work* and the *equipment* category—enough so that investigation of local capacity and utilization may rely to some extent on these industry-to-work-type relationships. The fit is more consistent in the case of technical work.

The limitations on contractor capacity information are likely to be a persistent problem, as it is very difficult to gather and maintain accurate information at the firm level. The fundamental solution is for the local districts to team up with local and regional resources (such as business development centers, community development corporations, Government Contract Assistance Program, community organizations such as Lake County Resources Initiative, and contractor groups) to regularly address the question of local capacity and utilization. This report and the EWP contractor data can serve as a starting point for this activity.

As we pointed in our discussion of utilization of local capacity, Oregon is by far the most active in federal natural resource contracting compared to the neighboring states to the north and south. Oregon has more work, more contractors, and Oregon firms capture more of the work in their own state than Washington and California firms do in their own states. This defining characteristic of the service contract market cuts both ways for businesses in the three BLM districts, as it does for all Oregon firms: They have more work than their counterparts in the other two states, but they also have plenty of competition.

Industry sub-sectors: Since a major source of our information on existing contractors—the *supply* of contract services—is the federal contracting history itself—the realized *demand* for contract services—it makes sense to clarify what industry categories associated with BLM contracts had the most contract dollars. As we explained in the *Methods* section the listing of NAICS, or industry, categories with contract actions is a loose one; it is the agency’s best estimate of the market sector most likely to perform the work. But the most frequently occurring industry categories can certainly be understood as categories of interest in describing the cadre of businesses involved.

Table 9. Contract Award Totals with Associated NAICS Categories in All BLM Work in Oregon, 1990 - 2002 (NAICS Categories with Award Totals > \$400,000)

NAICS	NAICS Title	Award Totals (2002 \$ x 1,000)	No. of Contracts
Road and Watershed Construction Work			
234990	ALL OTHER HEAVY CONSTRUCTION	3,907	69
234110	HIGHWAY AND STREET CONSTRUCTION	2,750	30
115112	SOIL PREPARATION, PLANTING, AND CULTIVATION	812	25
Forest & Range Work			
115310	SUPPORT ACTIVITIES FOR FORESTRY ¹	34,102	421
113310	LOGGING	3,151	12
113110	TIMBER TRACT OPERATIONS	1,739	17
115210	SUPPORT ACTIVITIES FOR ANIMAL PRODUCTION ²	401	1
Technical ¹			
541710	RESEARCH AND DEVELOPMENT IN THE PHYSICAL SCIENCES	4,066	169
541620	ENVIRONMENTAL CONSULTING SERVICES	1,432	15
		5,498	184
Total for industry categories with > \$400,000 in awards:		52,361	759
Total all industry categories:		290,377	4,563

¹ Over \$1 million of work associated with 115310 was technical work

² Though not in the same 2-digit NAICS group \$465,000 of the work associated with NAICS 115112 was heavy equipment work; the balance was labor-intensive.

We highlight here only the NAICS categories, which replaced the Standard Industry Classification (SIC) system in federal land management agency contracting by 1998. In the case of BLM work the majority of work is associated with three to four NAICS codes in each of the industry categories we have established to describe contractor capacity. All relevant NAICS categories with associated contract activity totaling more than \$400,000 over the thirteen-year study period are listed in Table 9. Assignment of NAICS codes to contract actions by BLM differs somewhat from the Forest Service. A summary of the most frequently assigned NAICS codes for both agencies is included in EWP’s *Contractor Guide to Selecting a NAICS Code*, included in Appendix B.

Contract dollar flows: As we highlighted above, over the thirteen-year study period, six of the counties local to the three BLM districts were among the top fifteen counties in all states whose contractors did the largest share of work measured by total contract award dollars for BLM and Forest Service work in Oregon. (See Table 10) Of these Douglas, Coos and Klamath Counties were net importers of service contract capacity, as their firms captured fewer award dollars than were spent in the counties. The difference between contract dollars spent in Douglas County and dollars captured by firms in the county was larger than for any other among the top fifteen counties. Lane and Linn Counties were net exporters.

Table 10. Top 14 Contactor Counties in All States Performing All BLM & Forest Service Work in Oregon

Capture Rank	County	State	Expenditures					Market Share By Contractor County and Work Type	
			\$ Spent in County as % of All OR Awards	% of EQUIPT Total	% of LABOR Total	% of TECH Total	Total Awards by Contractor County,* (2002 dollars x 1,000)*	% of All Awards	
1	Marion	OR	3%	25%	18%	7%	206,912	19%	
2	Jackson	OR	21%	23%	18%	12%	203,184	18%	
3	Lane	OR	9%	12%	8%	14%	110,851	10%	
4	Josephine	OR	3%	2%	9%	3%	61,701	6%	
5	Douglas	OR	11%	8%	5%	6%	58,963	5%	
6	Deschutes	OR	5%	2%	7%	3%	51,673	5%	
7	Polk	OR	0%	0%	7%	1%	40,226	4%	
8	Yamhill	OR	2%	2%	5%	0%	33,947	3%	
9	Coos	OR	5%	4%	1%	2%	22,109	2%	
10	Klamath	OR	4%	2%	3%	2%	21,716	2%	
11	Multnomah	OR	2%	2%	0%	10%	20,478	2%	
12	Linn	OR	1%	1%	2%	0%	17,974	2%	
13	Clackamas	OR	8%	2%	1%	1%	16,793	2%	
14	Lewis	WA	(NA)	0%	3%	2%	15,270	1%	
15	Benton	OR	1%	1%	1%	5%	13,484	1%	
23	Curry	OR	1%	2%	0%	1%	8,650	1%	
48	Lake	OR	4%	0%	0%	0%	1,839	0%	
Total %			100%	100%	100%	100%		100%	
Total awd. \$:* (2002 dollars x 1,000)			1,113,315	390,459	487,908	78,947	1,113,315		

* The three work types do not add up to the total contract awards because some contracts for work in counties not in the 3 districts were not coded for type of work; a total of 14% of all Oregon awards are of unknown work type.

Of the three remaining local counties, Benton and Curry Counties were close to neutral; the percentage of all awards captured by these firms was within 5% of the share of Oregon contract

awards that were spent in each county. Lake County was a net importer by a differential of 4%. Not surprisingly, Marion and Josephine Counties—leading nonlocal counties whose firms captured large shares of award dollars in the three districts—were net exporters, Marion County having the largest differential between dollars spent in the county (3% of Oregon work) and work performed by firms based in the county (19% of Oregon work). But Jackson County, whose contractors captured 18% of Oregon work, more than any other county except Marion, also had by far the largest investment of service contract dollars within the county \$230 million, or 21% of all Oregon contracts, making Jackson County a net importer. Among net-import counties local to the three BLM Districts the difference between dollars flowing out and dollars flowing in was greatest, for Douglas County, followed by Lake, Coos and Klamath Counties. Clearly the availability of work in a county is only one factor affecting the entry, performance and exit of businesses in that county. But comparison of contract award dollars spent in a county to the amount earned by firms based there provides one lens to help agency partners understand the unique interaction of specific features of a local contract market, and to inform future procurement activity.

Local business capacity: The amount of contractor information in the EWP database varies considerably among counties, since our program activity has provided more information on firms in Coos, Curry and Lake Counties than firms in other local counties. However these figures can be used as a rough guide to how much capacity exists in each of the local counties and in the four key industry categories.

In each of the three districts there are more contractors (with known industry category information) in the *Forest and Range Work* industry category than in other categories. We would expect this industry category to have more firms because there is more spending in this work, and that it would be more crowded (number of competing firms for a given total sales volume), as there are perhaps fewer technical and capital barriers to entry in *Forest and Range Work* sub-sector. Of the eight nonlocal counties, Lane and Douglas Counties have the largest population of contractors, and in each case more of the businesses with known industry category information are in the *Forest and Range Work* industry category (See Table 11) than any other category (28% to 30%). And there are more firms listed in Lane County than in all of the counties local to either the Coos Bay or Lakeview Districts. Lane County has over three times as many firms in the *Forest and Range Work* industry category as in either the *Road and Watershed Construction* or *Technical* categories. We would expect to see a high population of each type of contractor in the county, given Lane County firms' high rank for capture of all work in Oregon (Table 11), although these firms captured a higher percentage of heavy equipment work than labor-intensive work—not reflected in our Lane County contractor count. Counties local to the Eugene District (taken as a whole) have a higher proportion of firms in the technical industry category than in the other two districts. This fits with our finding that firms in both Benton and Lane Counties were among the top four counties in capture of statewide technical work (Table 11), although Lane County firms placed first, compared to Benton firms' fourth, and we counted slightly less firms in Lane than in Benton County.

Counties local to the Coos Bay District had a higher proportion of firms in the *Road and Watershed Construction* category than counties in the other two districts. This fits with the very high local capture rate for heavy equipment work in the district (Table 6). Douglas County has

more than twice as many firms as either of the other two counties local to Coos Bay District. (We were not able to identify how many of the firms are located in the western portion of the county near Coos Bay District lands—possibly a next step for the district and its local partners.) Our county-level analysis of award capture rates shows Coos Bay firms winning a slightly higher percentage of all awards in the district than firms in Douglas County (Table 7). But Douglas County contractors were slightly ahead of those in Coos County for all BLM work in Oregon, and well ahead of them in all Forest Service and BLM work in Oregon combined (Table 11).

Table 11. Number of Contractors in Each Local County by Industry Category

Industry category	District	County		
	Total	COOS	CURRY	DOUGLAS
Coos Bay District				
Forest & Range Work	47	11	3	33
Road and Watershed Construction Work	43	13	2	28
Technical Work	5	4		1
Other Construction Work	10	4	2	4
Other	2			2
Unknown	74	20	6	48
Subtotal:	181	52	13	116
Eugene District				
		BENTON	LANE	LINN
Forest & Range Work	84	20	56	8
Road and Watershed Construction Work	22	1	16	5
Technical Work	25	12	11	2
Other Construction Work	6	1	5	
Other	1		1	
Unknown	158	29	99	30
Subtotal:	296	63	188	45
Lakeview District				
		KLAMATH	LAKE	
Forest & Range Work	31	16	15	
Road and Watershed Construction Work	15	11	4	
Technical Work	7	3	4	
Other Construction Work	3	2	1	
Other	1		1	
Unknown	79	46	33	
Subtotal:	136	78	58	
Total, all districts:	613			

Closer investigation might show that firms in Douglas County—as one of the areas along the I-5 corridor—are more likely to work outside their area than Coos County firms. Our comments above about the relative isolation of the south coast area might support this suggestion. The data available do not provide firm answers, but do suggest some important questions for local

partners to pursue. Our count of firms local to the Lakeview District shows a fewer *Road and Watershed Construction* firms than we would expect (15 of 57 firms with known industry categories), based on our work with Lake County Resources Initiative, and the fact that local firms captured a higher percentage of heavy equipment work than labor-intensive work in the district. Earlier analysis by LCRI suggests that logging and other firms with the necessary equipment, skill and knowledge to do this work are disappearing from Lake County because there is not enough work to keep them going (Kauffman 2001). This is especially discouraging as the Lakeview District expects to see an increase in heavy equipment work in the near future.

We discuss local capacity for some specific types of work in the following section on special concerns of the districts.

Market concentration: Partners in the BLM Districts were interested in the market concentration characteristics of the regional service contract market. (Monitoring Question 6: *What is the market structure and concentration among contractors across Oregon and in the local areas?*) We have observed, in an earlier report on 1998 and 1999 BLM and Forest Service contracting in Oregon and Washington, that the natural resource contract market tends to have a relatively small number of firms capturing large shares of the contract dollars and a very large “bottom”—many firms competing for the rest of the market (Beltram 2001). Our data set from the Federal Procurement Data Center gives us a chance to look at market concentration over a longer period of time (1990 - 2002). We found very much the same pattern, with fourteen firms, among over 2,000 receiving contract awards, capturing 25% of the work in all BLM and Forest Service contracts in Oregon (See Table 12). The bottom 25% of the award dollars was split among over 1,800 firms.

Table 12. Market concentration among contractors performing BLM and Forest Service work in Oregon, 1990 - 2002

% of award dollars	Number of Firms
1 st quartile	14
2 nd quartile	47
3 rd quartile	152
4th quartile	1,878
Total	2,091

Total awards: \$900,781,362
 (Aircraft and fire suppression services omitted)
 N = 2,091 firms

The majority of the work done by the top fourteen firms was labor-intensive work (78% of their contract award dollars), followed by heavy equipment (9%) and technical work (2%). (11% of these contract dollars were for work with unknown work type).

Business tenure: Of the fourteen firms in the top quartile of all award recipients during the thirteen-year study period ten were active in all three periods, 1990 – 1992, 1995 – 1997, and 2000 – 2002. And all of the thirteen firms that were in the top quartile of firms (ranked by the by firms’ total contract award dollars) and were active in all three periods, were also among the 22 firms receiving the top 31% of aggregate contractor awards for all years. Generally the firms capturing the most contract award dollars for the period tended to be active throughout the period. Out of over 4,000 firms in California, Oregon and Washington doing business with BLM or the Forest Service, 180 were active in all three periods (4%). Of these firms, 35 were based in the eight counties local to the three BLM Districts. (See Table 13) Only one Lane County firm among these 35 firms was in the group of fourteen firms in the top quartile of all award recipients during the thirteen-year study period (Table 12). Eight were in the second quartile, fifteen in the third, and ten were among the 1,878 firms in the fourth quartile. The eight local counties were home to a significant share of the leading contractors in the 3-state region.

Table 13. Number of Contractors in the 8 Local Counties Active in Initial, Middle and Final 3-Year Periods

County	Industry Category	No. of Firms
<u>Coos Bay District local counties (11 Firms)</u>		
Coos	Forest & Range Work	1
Coos	Road and Watershed Construction Work	3
Douglas	Forest & Range Work	2
Douglas	Road and Watershed Construction Work	5
<u>Eugene District local counties (21 Firms)</u>		
Benton	Forest & Range Work	2
Lane	Forest & Range Work	13
Lane	Road and Watershed Construction Work	3
Lane	Technical	1
Linn	Forest & Range Work	1
Linn	Road and Watershed Construction Work	1
<u>Lakeview District local counties (3 Firms)</u>		
Klamath	Forest & Range Work	2
Klamath	Road and Watershed Construction Work	1
Total, 3 districts:		35

Consistent with the highly competitive market structure suggested by the market concentration shown in Table 12, the field of businesses with low tenure in the federal contract market is also very crowded. Over 2,800 of the 4,075 firms in the 3-state region were active in only one of the three periods, just under half of those having worked only in the first period, and more active in

the third period only than in the second period only. And only 474 firms were active in two periods only. (527 firms were active in years other than the three-year sample periods.)

There is a small cadre of leading firms in some of the counties local to the three districts—many of them with tenure throughout the study period. But it is clear that all local firms have to work hard to compete with both the leading firms outside the local area—some of whom can afford to bid low on some work to help maintain their crew strength—and the many lesser firms, some of whom may be bidding low to enter or test the contract market and then exit. These are common features in many industry sectors in our economy, but they can make life very hard for both providers and purchasers of services.

How well are contractors finding out about work and using electronic commerce?

EWP contact with over thirty contractors located in the eight local counties, and with BLM and Forest Service procurement staff, was our only source of information on how firms are interacting with electronic and other means of learning about and bidding on contract solicitations. The summary below is drawn primarily from contacts at the BLM-EWP contractor workshop in Lakeview in November 2003, the experience of Bill Duke at Lake County Resources Initiative (LCRI)—a local non-profit organization working to increase participation by local businesses in federal contracting, telephone contact during 2003 with sixteen contractors based in the counties local to the three districts, and conversations with businesses about forest and watershed restoration opportunities in the Siuslaw National Forest. (See summary in Appendix C) Some of the businesses we talked to work only for federal agencies, others only for private industrial land management customers, and others worked for both.

The shift to electronic commerce—required for all federal land management procurement after October 2003—was a central concern for each of the three districts. We did get feedback from contractors on electronic commerce, but the requirement was so new that many had not even tried the mandatory registration with Central Contracting Registration (CCR). Key themes from the information we gathered include:

Access to solicitations

- Some contractors said they had no difficulty finding BLM solicitations;
- More said they had been dropped from BLM solicitation mail lists if they did not bid during one season (many of these businesses had not yet registered on CCR)

Among many other changes in procurement, solicitations will no longer be mailed under the new electronic commerce requirements. Contractors who felt cut off from BLM contracting opportunities under the paper system will likely experience additional difficulty in the transition to electronic commerce.

Experience with electronic commerce

- Some had no difficulty locating solicitations on the internet, but most said it is difficult to get information on work in specific districts or that it is generally more difficult than the old system;
- Difficult for some adjusting to no longer having mailed solicitations;

- Many newer businesses or those changing their business activity were in doubt as to how to select a NAICS code for registration on CCR;
- Several had difficulty downloading solicitations on-line (2-4 hours by telephone modem); one firm frequently prints selected portions of solicitations, rather than saving the file, because it's quicker;
- Some veteran contractors were concerned that electronic commerce would make it impossible to develop and maintain the agency relationships they have relied on to gain information on contracting opportunities and to build communication and trust.

Other comments on contracting with federal agencies:

- Some firms did not like Indefinite Delivery Indefinite Quantity (IDIQ) solicitations because it is difficult to bid on work without knowing the ground or level of difficulty; others acknowledged this but said communication with the Contracting Officer Representative is the key to getting agreement on level of difficulty (and associated costs) when task orders are issued on an IDIQ contract;
- Some saw a major business obstacle in competing against businesses that are out of compliance with workers comp and other regulations, pointing out that wage surveys and enforcement are weaker than in the past;
- Some firms thought bonding and bid guarantee requirements were a problem, but others thought they are a reasonable part of the cost of doing business;
- Most businesses reported that there is very little room for a good bid, as there are frequently low bidders that do not take all costs into account; but some reported significant improvement in some federal units with the change to best-value procurement.

There is a continuing need for information and assistance to help contractors adapt to the changed procurement environment. As a result of our work with BLM Districts and outreach to contractors EWP responded to the need for information on selecting a NAICS code, but this is only a small part of the assistance needed. (See *Guide to Selecting a NAICS Code*, included in the Appendix B.) The experience of LCRI in Lake County, feedback at the Lakeview contractor workshop and discussion at a workshop on future procurement activity at the Coos Bay District suggest that information and assistance for businesses in local and adjacent counties are needed to adapt to

- 1) changes in the kind of work likely to be procured in the next three to five years,
- 2) the shift to best value contracting, and
- 3) the shift to electronic commerce.

A suggestion at the Coos Bay workshop makes a lot of sense: Establish a local “gateway” using local business development organizations to help businesses make these adaptations.

6. Special Concerns of the Districts

In each of the three BLM Districts concerns beyond the common monitoring questions were identified while planning this project. These special concerns are addressed below.

Each district had questions about local capacity to perform work projected for the coming years. In each case projections of future types of work were driven by the district's Resource Management Plan and related records of decision, court decisions, recent national legislation and administrative policy and budgets. Projections of future work were also, at least partially, driven by recent federal agency focus on increased competitive sourcing. One common theme was the expected increase in timber management—including commercial thinning and other timber sales—and related interest in strategies for implementation of the new stewardship contracting authorities for BLM and the Forest Service. For this reason we have included information on logging firms in the section on local capacity above, and asked related questions when contacting local businesses.

From the information already presented local managers will be able to draw some conclusions about work local firms have been doing for BLM in recent years, and about local firms listed in the EWP contractor database. Some further comments are offered below on specific types of work of interest to each district. However, available information does not allow a clear delineation of what local firms could successfully bid particular kinds of work. The important question is: How do we increase the effectiveness of market communication for local firms that are already active. This will require follow-up work by each of the districts with local business and economic development partners as outlined in the conclusions and recommendations below

6.1 Coos Bay District

District questions:

- Where, in addition to the local area, do contractors based in Coos, Curry and Douglas Counties work?
- What are the likely changes in contracted work over the next three to five years?
- Are there lessons we can draw from looking at assistance agreements, comparing to competitive contracting?

Where do local contractors work? The only source of information we could use to address this question was the Federal Procurement Data Center records. Unfortunately this only gives us part of the picture, as three quarters of the businesses included in the EWP contractor database did not contract with BLM between 1990 and 2002. But this data set can tell us where local firms perform work for BLM or the Forest Service. A complete data summary is included in Appendix E, showing the total contract award dollars for contractors in each of the three local counties, and for each of the counties they worked in.

As summarized above, contractors in Douglas County did more work than their counterparts in Coos and Curry County; a total of \$25.4 million, or 72% of all work done by firms in the three counties. Curry County contractors did only 6% of the total. More than half of their work was in the heavy equipment category, as was the case for the other two counties.

Contractors from the three counties did most of their heavy equipment work in Douglas and Coos Counties, and 43% of the non-local Oregon work in Lane County. Work in Clackamas, Curry and Linn Counties had the next largest award totals. Work in the three local counties was 57% of the \$22.9 million total heavy equipment awards. Douglas County contractors did 62% of this heavy equipment work.

Although we would normally expect more labor-intensive work than heavy equipment work to be done non-locally, contractors from the three local counties performed 80% of the total \$10.8 million in labor-intensive work within the three counties. Douglas County firms performed 92% of all labor-intensive work done by local contractors, with 78% of it within the three counties, and most of that local work in Douglas County. Most of the non-local labor-intensive work in Oregon was performed in Klamath and Jackson Counties, followed by Lane, Lake, Grant and Crook Counties. Coos County firms did very little non-local work in this work category, most of it in Lake County. Curry County firms did 73% of all their labor-intensive work in California, followed by their work in Curry and Coos Counties.

Local contractors performing technical work did more work outside the area than was the case in other work categories. Non-local work was 54% of the total \$1.7 million in technical contract awards. Douglas County firms did 72% of all technical work performed by firms based in the three local counties and 61% of the local technical work performed by those firms. More than half of their non-local technical work was in Lane County, followed by Jackson, Josephine and Deschutes Counties—adjacent to or near Douglas County.

As was the case with non-local contractors there appears to be no unexpected patterns in the location of non-local work by Coos, Curry and Douglas County contractors. Businesses in this corner of the state generally tend to work fairly close to home, with some variance among them. This is consistent with suggestions above that the relative isolation of this part of southwestern Oregon, combined with the relatively high population density (compared to eastern Oregon regions), may foster more reliance on local firms than is the case in some other parts of Oregon.

Projected changes in contracted work: Coos Bay District personnel decided it was important to conduct a structured discussion of likely work in the next three to five years before attempting to conduct a workshop for local contractors. To this end EWP assisted with a November workshop for district managers, resource specialists and procurement specialists to discuss preliminary findings of EWP work assessing BLM contracting and local capacity, and estimates of likely changes in contracted work.

A record of the workshop is included in Appendix F. The list below provides highlights, and is offered as a recommended summary for external communications. This might be a resource for the follow-up contractor workshop the Coos Bay District is planning with the local business development center and the Government Contract Assistance Program.

Likely or potential increased procurement activity:

- Survey and monitoring work
- Traversing and other project preparation and engineering work
- Silviculture work
- Road and recreation projects through multi-district contracts
- Engineering & project design services
- Fish passage design-and-build, as part of TS contracts

Lessons from Coos Bay District Experience with Assistance Agreements:

The Ecosystem Workforce Program reviewed the Coos Bay District's Statements of Programmatic Involvement and Assistance Agreements for the Coquille Indian Tribe, Coos County and the Coquille Watershed Association, and considered some possibilities for monitoring and assessing agreements as a part of the overall restoration and management strategy for the District. We also reviewed Assistance Agreement performance data provided by the district to compare resource management activity under those agreements with work performed under competitive contracts.

Based on the documents and EWP's limited experience with the programmatic experience under the agreements, it is clear the agreements fit well with the clear need for a coordinated and collaborative strategy for resource management in the Coos Bay District, given the complexity of land ownership patterns in the area. The agreements seem to be well structured to:

- achieve restoration and other management objectives,
- gain efficiencies and effectiveness by relying on external capacity, and
- contribute to the continuing capacity of the external entities to be good partners in stewardship.

When this kind of relationship works, the landscape, communities and federal agencies benefit, with tremendous potential for current and future cost savings. The open question is how well these cooperative strategies have worked? The information and recommendations presented here are intended to help BLM managers address that question.

The recommendations below assume some form of logic model for planning in which:

- broad purposes are informed by assessment of needs, and suggest
- objectives and desired *outputs*,
- which can logically be expected to lead to desired *intermediate outcomes* (easily translated into performance measures),
- all of which helps *adapt plans* to reflect learning from monitoring and evaluation

- which can logically be expected to contribute to desired long-term outcomes (not easily measured at the watershed and community scale, but important to monitor through high-level indicators).

Much of this thinking has doubtless occurred and clearly does not necessarily belong in a Statement of Programmatic Intent of Assistance Agreement. However this kind of planning exercise is important to do collaboratively, and should be documented to help guide the partners' progress and adapt plans.

With some differences in details, each of the three agreements have similar purposes with regard to fostering:

- effective cooperative working relationship between the BLM and the external entities,
- combining technical expertise, funding and services toward the goal of improving natural resources, stewardship and infrastructure,
- maintaining essential collaborative relationships and other capacity in a setting of intermingled private and public land ownership.

In the case of the Coos County Agreement improvement of watershed health is not specified in the Agreement objectives, as it is in the other two. Although it is clear the County agreement aims for improved management and stewardship of ecologically and socially interconnected lands, without product or outcome objectives (beyond process and capacity building objectives) it may be difficult to construct a useful approach to monitoring and assessment.

Recommendations:

- A) Review purposes and objectives jointly with partners;
- B) Work with partners to collaboratively define desired landscape and socioeconomic outcomes or results and their logical relationship to agreement purposes and objectives.

The goals and purposes of the three assistance agreements assume a collaborative (as well as efficient) working relationship with external organizations, aimed at enhancing overall capacity for stewardship of the landscape. In practice the work that actually got done was often driven mainly by district resource management and procurement needs and constraints. And in practice this was sometimes at odds with the goal of collaborative stewardship.

Recommendations:

- A) Reassess the procurement and resource management framework for selecting which work is directed to Assistance agreements;
- B) Concurrently invite Assistance Agreement partners to revisit the framework for building collaborative stewardship capacity while accomplishing needed work on the ground;

- C) Jointly redefine what work will be performed under the assistance agreements in a way that addresses the needs and constraints of both partner organizations.

Work performed under assistance agreements, 1998 - 2002:

The following information covers work performed mainly under assistance agreements with the Coos and the Coquille Watershed Associations, and minor amounts of work under agreements with the South Coast and Umpqua Basin Watershed Councils. (See Table 14)

Analysis of both service contracts and assistance agreements at the one- and two-county scale warrants caution. The small number of cases means that little can be inferred from changes from year to year, or across categories. The important thing is to see the larger patterns and to look for new questions to guide monitoring, evaluation and planning.

Table 14. Total Annual Funding Amounts;*
Four Assistance Agreements, Coos Bay District BLM, 1998 - 2003

Year	Total Funding	Coos WSA	Coquille WSA	South Coast WC	Umpqua Basin WC
1998	382,679	330,296	52,383		
1999	337,032	156,385	160,647	20,000	
2000	362,956	123,508	239,447		
2001	168,610	16,450	152,161		
2002	53,000		18,000		35,000
2003	183,095		183,095		
Totals:	1,487,372	626,639	805,733	20,000	35,000

* (not adjusted for inflation)

There were a total of 258 competitive contracts and 51 Assistance Agreement task orders from 1998 through 2002. The total value of contract awards from 1998 to 2002 was \$12.5 million in 2002 dollars, ten times the unadjusted amount allocated to assistance agreements over the same period. The difference is less when both amounts are adjusted for inflation. (See Table 15) Both agreement task orders and competitive contract awards generally declined from 1998 to 2002. And both had more investment in heavy equipment work and less in technical work. The difference in total expenditures across the work types was greater in assistance agreements than in the competitive contracts.

Table 15. Total Expenditures for Assistance Agreements & Competitive Contracts, Coos Bay District BLM, 1998 - 2002

Year	Assistance Agreement Funding*				Competitive Contract Awards (2002 \$)			
	Total	EQUIPT	LABOR	TECH	Total	EQUIPT	LABOR	TECH
1998	382,679	180,362	202,317	0	4,064,018	2,990,066	867,550	206,402
1999	337,032	196,722	72,389	67,921	2,721,382	1,613,391	538,877	569,114
2000	362,956	255,115	83,651	24,189	1,623,687	198,208	974,828	450,650
2001	168,610	149,293	19,317	0	2,484,893	1,150,354	914,461	420,078
2002	53,000	53,000	0	0	1,613,407	371,115	823,475	418,817
Total:	1,304,277	834,492	377,675	92,110	12,507,386	6,323,134	4,119,191	2,065,061
%:	100%	64%	29%	7%	100%	51%	33%	17%

* (not adjusted for inflation)

The size of the task orders under assistance agreements was generally comparable to the size of service contracts—\$25,600 for agreements and \$48,500 for competitive contracts. (See Table 16) Our data for competitive contracts combines all task orders into one contract award amount. The unit of observation in the assistance agreements is task orders. Therefore we should expect to find a larger average amount for competitive contracts than for agreements. However it is likely that—were we able to compare “apples to apples”—we would see a comparable, but slightly lower average transaction amount for agreements.

Table 16. Average Transaction Amount, Assistance Agreements & Competitive Contracts, Coos Bay District BLM, 1998 - 2002

Average Assistance Agreement Task Order Amount*				
Year	Total Funding	Equipment	Labor	Technical
1998	31,890	22,545	50,579	0
1999	21,065	24,590	14,478	22,640
2000	27,920	31,889	20,913	24,189
2001	24,087	29,859	9,659	0
2002	17,667	17,667	0	0
5 Yr. avg.	25,574	26,078	25,178	23,027

Average Competitive Contract Award				
Year	Total (2002 \$)	EQUIPMENT	LABOR	TECHNICAL
1998	70,069	96,454	51,032	20,640
1999	63,288	67,225	67,360	51,738
2000	30,636	13,214	44,310	28,166
2001	45,180	95,863	33,869	26,255
2002	32,927	26,508	34,311	38,074
5-Yr. avg.	48,478	65,866	42,033	32,267

* (not adjusted for inflation)

Most of the work under assistance agreements was performed by employees of either the partner organization or a local subcontractor. Other assessment work by EWP indicates that watershed councils tend to rely on local contractors when purchasing restoration services (Bonner and Hibbard 2002). We should expect to find more of the agreement dollars going to local employment than is the case with competitive contracts, operating in the context of an established local and regional market.

Table 17. Annual Funding* for Assistance Agreements & Local Capture, Coos Bay District BLM, 1998 - 2003

Year	Workforce			
	Total Funding	Local	Nonlocal	Unknown
Heavy Equipment Work				
1998	180,362	176,301	0	4,061
1999	196,722	196,722	0	0
2000	255,115	255,115	0	0
2001	149,293	149,293	0	0
2002	53,000	53,000	0	0
2003	138,095	138,095	0	0
Subtotal:	972,587	968,527	0	4,061
Labor-intensive Work				
1998	202,317	202,317	0	0
1999	72,389	72,389	0	0
2000	83,651	83,651	0	0
2001	19,317	19,317	0	0
2002	0	0	0	0
2003	45,000	45,000	0	0
Subtotal:	422,675	422,675	0	0
Technical Work				
1998	0	0	0	0
1999	67,921	47,921	20,000	0
2000	24,189	24,189	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
Subtotal:	92,110	72,110	20,000	0
Total, All Work Types:	2,459,960	2,431,838	20,000	8,122
Annual Totals:				
1998	382,679	378,618	0	4,061
1999	337,032	317,032	20,000	0
2000	362,956	362,956	0	0
2001	168,610	168,610	0	0
2002	53,000	53,000	0	0
2003	183,095	183,095	0	0
	1,487,372	1,463,312	20,000	4,061

* (not adjusted for inflation)

They are very different enterprises operating in very different contexts. To this extent it is inappropriate to compare “local capture” across assistance agreements and competitive contracts. But the information in each category is necessary for BLM and community partners working to understand the past and to help chart strategies for the future. In the case of the Coos Bay BLM assistance agreements reviewed, only a small portion of the work under the task orders was subcontracted to businesses out of the area, with only 1% of the funding going to a non-local (or unknown) workforce. (See Table 17) In reviewing utilization of local capacity above we highlighted the high local capture rate for local businesses in competitive contracts—39% across all types of work, and 58% for heavy equipment work. We believe this is a high rate compared to other federal land management units.

The information summarized here provides evidence neither for nor against continued or adapted use of assistance agreements. There is considerable merit to this circumstance, although it might have been interesting to find a “silver bullet” piece of information. Understandably there is local disagreement about the value of assistance agreements, with some local businesses concerned that agreements may cut into potential work opportunities. Others are concerned that some of the work performed under agreements is work that cannot be completed through competitive contracts because none will bid the work for the funding allocated.

The advantage of having some detailed monitoring information available—especially when it does not clearly support one or another viewpoint—is that misconceptions and worries may be put aside, allowing focus of collaborative attention on the important question: Exactly what do we each need to accomplish (agency, businesses, and watershed councils, for instance), and how do we best get that done? We urge the Coos Bay District to allocate the time and resources to thoroughly review assistance agreements and to engage relevant partner organizations in evaluating performance and impacts to date, redefining goals and objectives and mapping strategies for the future.

6.2 Eugene District

District Questions:

1. How do contractors learn about contracting opportunities?
2. What evidence can we find on existing or changing capacity in road maintenance and recreation site maintenance?
 1. Can we see any impact from the extensive focus and staff effort devoted to WPWP since 1996?
 2. Are there any differences in the distribution of contract awards between local-and-urban-based contractors and local-rural?
 3. Are there opportunities for increasing restoration and management results by collaborating with watershed councils or the Cascade Pacific RC&D?

How do contractors learn about contracting opportunities? Eugene District partners also wanted to know how contractors learn about contracting opportunities. There are few clues to help us answer this question in the federal contracting data. The discussion at the end of the section on Local Contractor Capacity provides some feedback from the few contractors we talked to regarding difficulties in getting information on contract solicitations. The Eugene District, like each district, has its own unique set of service contract market features. The district is based in a major metropolitan area that was traditionally one of the three areas in Oregon where forestry services contractors have captured a high volume of the work in the Pacific Northwest. But its local contractors—even in heavy equipment work which typically favors more local businesses—faced non-local competitors who did 58% of this work from 1990 through 2002, perhaps facilitated by the accessibility of the area to other concentrations of contractors on the I-5 corridor. It could also be that the large, long-established local firms do not have to rely on local work as much as smaller rural firms. As we suggested above it makes sense for district managers explore why there was less reliance on local labor contractors after 1996, what market factors make a difference for small and large local contractors, and whether efficiencies can be gained by seeking better two-way communication with the local firms as well as those that are non-local but accessible to the district from elsewhere in the Willamette Valley, on the I-5 corridor or even in the south coast. (See discussion of where south coast firms work above.) Regular communication with the local and non-local firms that are needed to achieve BLM resource management objectives should be explored, possibly including workshops and mail or electronic procurement updates. In addition to the steps suggested at the end of the previous section, Local Contractor Capacity, the Eugene District should consider working closely with Jan Hurt of the Government Contract Assistance Program in Springfield to locate contractors for particular kinds of projects, and to explore options for contractor outreach.

Local capacity for road maintenance and recreation site maintenance: The EWP federal procurement data set includes only 76 contracts assigned to the *recreation site maintenance / non-construction* PSC category in all BLM and Forest Service work in the three states. Some of this work was done in each year of the study period, but there were fewer contracts in the later years. There were two firms in Lane County and two in Benton County of a total fourteen doing this work in the thirteen-year period. All work in this PSC category performed by these four local firms was before 1993. It is difficult to search Oregon Employment Department employer database, or other resources, for firms that do this work as both construction and forest services industry codes are historically associated with this PSC. Again, communications strategies may be needed to identify firms for this work.

Locating contractors for recreation site maintenance projects that require heavy equipment, and for road maintenance work is less problematic. We know of 42 local contractors in the *Road and Watershed Construction* industry category. Sixteen of these firms were active in BLM and Forest Service contracting in the last five years of the federal data series. It is very likely we are missing a lot of local businesses that do not contract with the federal agencies, particularly smaller or specialized businesses. EWP research on federal natural resource contracting in the Pacific Northwest indicates heavy equipment contract awards tend to go to nearby businesses, due to the cost of mobilization over long distances. This certainly seems true of the Eugene district, as local businesses captured more of the heavy equipment awards from 1990 through 2002 than they did in other types of work. But from 2000 to 2002 the local capture rate varied

from 16.40% to 69.44% to 28.28%, and there was similar variance in earlier years. There was also considerable variance in the total annual contract awards and the average annual contract award. Eugene and Coos Bay districts procured two to three times more work in this category during the mid-1990s than they did in other years. This was clearly an increase in opportunity for local firms, but also contributed to low predictability for local contractors—consistently one of the main business considerations for firms we have talked to over the past decade. We would expect variable availability of work might be associated with other indicators of market instability, which could lead to inconsistent bidding by contractors and, in turn, increased difficulty in locating capacity when it is needed. Of the 180 Oregon firms that were active in the early, middle and end of the study period (See discussion of *business tenure* in the previous section), only 21 (12%) were active in heavy equipment work. In all work in Oregon over the thirteen-year period of federal contract records 23% of BLM contract awards were for heavy equipment work, and 39% of Forest Service work. The proportion of expenditures for this work in the three counties local to the Eugene district was well above the statewide figures: Heavy equipment expenditures in the three counties was 44% of BLM contract awards, and 59% of Forest Service Awards.

Interestingly, when we look at annual total contract awards for heavy equipment work performed in all western Oregon counties, there is much less variance than for either the Eugene or Coos Bay District alone. Excluding the large flood mitigation expenditures in 1997 and 1998, the annual total of contract awards in these counties as a whole was consistently in the neighborhood of \$10 to \$11 million. However, because heavy equipment firms tend not to travel as far as businesses in other kinds of work, it is not likely that most businesses saw this as stable demand for their services. Because the larger market associated with the Eugene-Springfield area's population density might be expected to foster business stability, it is important to explore any destabilizing factors when they occur. Available data did not permit complete answers to this question. BLM managers should keep these market features in mind when planning projects and outreach to local and nonlocal firms. Again, a concerted outreach effort is appropriate to locate businesses appropriate for road maintenance and recreation site maintenance.

Impacts of the Willamette Province Workforce Partnership: Since 1996 resource management and procurement staff from the Eugene and Salem BLM Districts, BLM Oregon state office and the Willamette National Forest have participated in the Willamette Province Workforce Partnership, an interagency effort to create work design and contracting strategies that foster:

- longer duration employment in a way that is appropriate for small contractors,
- predictability of work opportunities to enhance business viability,
- evaluation of contract bids on business capacity, past performance and merits of the bidder's project plan ("best value" criteria),
- small projects combined into a multi-disciplinary contract accessible to small contractors, and
- increased efficiency and effectiveness for the federal agencies.

The primary organizational tools used have been 1) collaboration among BLM and Forest Service resource managers to select contract work components that could efficiently be included on a contract solicitation, and 2) shared responsibility for procurement, under which projects from both agencies were frequently combined in a single procurement action.

Unfortunately the federal procurement data set does not provide the information needed to see the impacts of this interagency effort, or to determine if these innovations have been institutionalized within the participating agencies. The data did not include information on use of best value criteria, whether a contract was multi-disciplinary or combined the work and budgets of more than one agency unit, or other measures related to WPWP contracts.

Not having access to this information, we looked at one available measure—the size (total contract award value) of contracts. Of course information on size alone does not help answer any of these questions. But if there had been a consistent, measurable and significant change in the size of contracts by type after 1995 it would have suggested where to look for information on WPWP and non-WPWP contracts. But in the available data there were no such changes apparent.

To determine the effects of WPWP and of institutionalization will require collecting the contract numbers assigned to WPWP contracts to identify which contract records in the federal procurement data set are WPWP projects. Measures would then have to be established and data gathered on the WPWP and non-WPWP contracts for comparison over time. Possibly qualitative information would have to be gathered from agency staff involved in the partnership and from contractors.

More detailed monitoring questions and measures might include:

Proposed questions:

- Is there evidence that the WPWP contract solicitations were a better fit with local firms' business capacity and constraints than conventional solicitations?
- Is there evidence that WPWP fostered strengthening of small contractor capacity?
- How was firm size (number of employees, gross sales) related to size and stability of contract awards over time
- Was best value bid evaluation used; did it make a difference for the agencies in meeting objectives, for contractors, or in relation to other output measures
- What are the fiscal and programmatic costs and benefits associated with the WPWP approach to work design and procurement?
- Is there evidence that the systems learning has transferred from WPWP to other procurement in the participating agencies?

Proposed measures (for both WPWP and non-WPWP contracts):

- firm size (number of employees, gross sales)

- presence/absence and completeness of best value bid evaluation
- presence/absence of interagency procurement mode
- presence/absence of interdisciplinary planning and implementation
- presence/absence of “right-sizing” in WPWP and other project design and procurement
- staff hours and any other costs for collaborative project planning, contract preparation, solicitation, award, pre-work, monitoring and closing.

To follow up on Eugene District questions the District should convene its agency partners to consider a monitoring study as well as possible monitoring questions and measures.

The role of urban and rural businesses among local contractors: Eugene District partners were interested to see if there were any significant patterns in contract awards to rural-based versus urban-based businesses. To limit the study to rural and urban areas within the district we looked at all district awards to local firms. We designated firms with Eugene-Springfield addresses as urban because it is by far the largest population center and is the only metropolitan statistical area in the counties local to the district. There are some problems with this decision since the Corvallis and Philomath areas are home to many contractors, and the presence of Oregon State University serves, in many cases, as a stimulus and support for technical and other contractors at least as much as the Eugene-Springfield area. For this first investigation, however, we limited the urban designation to firms in the larger Eugene-Springfield area.

As might be expected the urban and rural contractor shares of contract awards followed different patterns for each type of work. Over the whole period from 1990 through 2002 rural and urban firms had almost equal shares of the heavy equipment work (47% rural and 53% urban). (See Table 18) But there was significant dominance by rural firms after 1996, and by rural firms before 1997. This poses inviting questions as to the variables associated with this change. It might be helpful to look at similar comparisons in other Oregon regions with urban populations center such as Jackson and Josephine Counties, or Marion, Polk and Yamhill Counties.

In labor-intensive work urban firms received 61% of all contract awards over the thirteen-year period, and had the overwhelming advantage after 1995 with 91% of the contract award dollars. As with heavy equipment work, this change invites exploration of causes. There was no apparent pattern in the details of work type (Product Service Codes) or location of the work that we could detect in available data.

Urban contractors did 55% of the technical work but rural firms increased their share in three of the last four years of the period. Benton County firms did not play as large a role as we expected in the years that rural firms took the majority of technical work throughout the period (with only two contracts in all of 1994, 1999 and 2000), but they captured 18 contracts and 64% of the contract dollars in 2002.

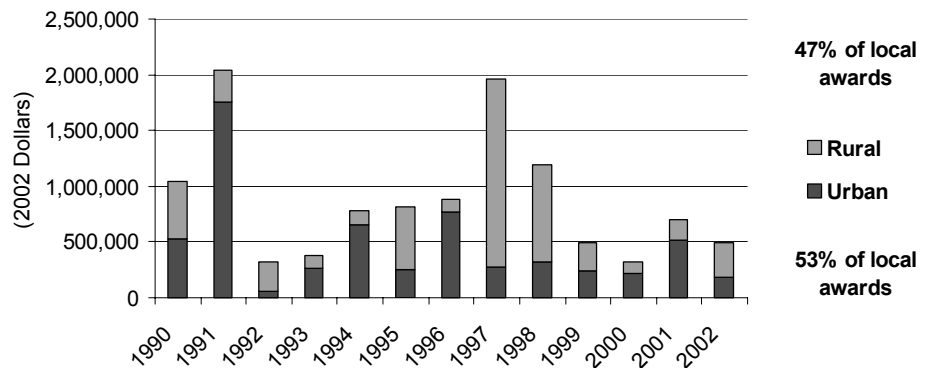
Table 18. Urban and Rural Share of Contract Awards to Local Businesses in the Eugene District BLM, 1990 - 2002

Year	EQUIPMENT			LABOR			TECHNICAL			All Work Types
	Total (2002 \$)	Rural % of Total	Urban % of Total	Total (2002 \$)	Rural % of Total	Urban % of Total	Total (2002 \$)	Rural % of Total	Urban % of Total	
1990	28,172	0.0%	100.0%	1,016,182	51.2%	48.8%				1,044,354
1991	1,487,450	0.7%	99.3%	416,964	53.7%	46.3%	135,730	37.7%	62.3%	2,040,145
1992	46,438	100.0%	0.0%	241,038	93.8%	6.2%	39,052	0.0%	100.0%	326,527
1993	20,139	100.0%	0.0%	339,266	27.5%	72.5%	18,436	0.0%	100.0%	377,842
1994	541,977	6.6%	93.4%	176,372	30.7%	69.3%	59,739	60.6%	39.4%	778,088
1995	208,008	88.6%	11.4%	528,444	65.5%	34.5%	79,638	35.1%	64.9%	816,090
1996	275,229	0.8%	99.2%	530,698	16.1%	83.9%	81,725	39.7%	60.3%	887,653
1997	1,774,306	94.8%	5.2%	85,386	-1.5% ¹	101.5% ¹	105,971	12.8%	87.2%	1,965,663
1998	1,030,527	80.2%	19.8%	79,701	32.1%	67.9%	81,807	16.4%	83.6%	1,192,035
1999	342,249	61.8%	38.2%	102,960	6.5%	93.5%	47,342	68.1%	31.9%	492,551
2000	61,684	84.8%	15.2%	210,526	2.5%	97.5%	54,589	100.0%	0.0%	326,799
2001	143,193	41.0%	59.0%	225,270	0.0%	100.0%	331,046	38.7%	61.3%	699,510
2002	104,960	100.0%	0.0%	116,642	3.5%	96.5%	266,456	73.3%	26.7%	488,058
	6,064,331	53.4%	46.6%	4,069,450	39.1%	60.9%	1,301,532	44.9%	55.1%	11,435,314

¹ The total of contract awards to rural firms in 1997 was a negative amount. In some cases recorded contract actions have negative contract awards due to adjustments from prior years.

In three of the seven years after 1995 rural local firms did more work than urban firms. In 1997 and 1998 in particular both the total volume of awards to local contractors and the rural share of those contracts were among the highest of all the years. (See Figure 20) Rural local contractors appear to have strong capacity to win and perform contract work in each type of work for the district, and are an important part of the local market.

Figure 20. Urban and rural share of award dollars to local contractors, Eugene District BLM, 1990 - 2002



Opportunities for collaboration with watershed councils or Cascade Pacific RC&D: Much of the BLM land base is in “checkerboard” sections sharing boundaries with many other landowners. Consequently BLM is neighbor to a wide variety of landowners. The issue of

collaborative resource management, therefore, is a critical one of BLM managers for reasons going to the heart of its land management mission, not just for public relations reasons. Multiple forest and watershed systems ignore those boundaries; few management solutions can be implemented entirely independent of adjacent lands. The recently expanded stewardship contracting authority, the work of the Resource Advisory Councils under the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393), and the National Fire Plan provide openings for enhanced collaboration. Our Eugene District partners' interest in exploring new alternatives for working with watershed councils or the Cascade Pacific Resource Conservation and Development District makes good sense.

Throughout Oregon BLM technical specialists are frequently a mainstay of watershed councils' technical teams. And there are numerous examples of cooperative resource management relationships around Washington and Oregon. Local watershed councils including the McKenzie, South Santiam, Siuslaw, Long Tom and Coast Fork Willamette Watershed Councils and the Mohawk Watershed Partnership already have the participation of Eugene District in its people, technical support, office space and financial support.

In some cases watershed councils with their own crew capacity have entered cooperative agreements with BLM and Forest Service units to accomplish restoration on agency or adjacent lands. And previous assessment work by EWP indicates that watershed councils tend to rely on local contractors when purchasing restoration services (Bonner and Hibbard 2002). The WPWP has been a vehicle for using Wyden authority to treat adjacent agency and private land with a watershed council playing a key role. EWP currently has no detailed information on watershed area councils' in-house capacity or past performance. This is information the District should gather as part of exploring new opportunities.

Our experience with the Coos, Coquille, South Santiam, McKenzie, Siuslaw and Mid-Coast watershed councils suggests the district should:

- Focus on collaboration to expand the scope and scale of restoration;
- Achieve synergies through collaborative relationships that can add external funding resources such as BPA, Oregon Watershed Enhancement Board, National Forest Foundation;
- Focus on collaborative definition of project opportunities including but beyond participation in technical teams;
- Convene an open-ended brainstorming session with representatives from local watershed councils, the RC&D and possibly the Central Cascades Adaptive Management Area.

6.3 Lakeview District

Lakeview District BLM and community partners in Lake County are experienced with exploring the history and impacts of federal contracting. Lake County Resources Initiative and Sustainable Northwest produced “An Analysis of Forest Service and BLM Contracting and Contractor Capacity in Lake County, Oregon, 1994-1999” in 2001 to help community and agency partners understand the history and explore opportunities for the future. Many will be interested to compare those findings to this report, as the available data on BLM contracting made it difficult to provide a comprehensive picture in the 2001 report. However, there are two major differences with the data and methodology that prevent a simple comparison of, for instance, the local business utilization rates. First, the contracting study for the 2001 report did not have access to the standardized federal procurement data set used in the current analysis. The earlier study relied on records of contracts over \$25,000 from the BLM Oregon state office and contract award information available the BLM website, and contract registers from the Lakeview District Office for contracts under \$25,000. We also made the decision to exclude fire suppression contracts from the current study in order to better focus on the mainstream resource management work of the agency. The difference in data sources and our selection of cases for analysis means that the results in the two reports cannot be compared number for number.

The second difference is that the 2001 report calculated Lake County businesses’ percentage of all BLM work in both Lake and Klamath Counties. The current study calculates both Lake and Klamath County firms’ capture of work in both counties. Naturally we would expect the earlier study to report lower local capture rates, as they were looking at one county’s share of a two-county set of contracts. This difference, combined with the removal of large-scale fire suppression contracts, means there should be no major surprise in seeing an aggregate 13.7% local capture in this report—much higher than the 1% in reported in the 2001 report. The local capture rate for firms in Lake County only (among contracts for work in Lake and Klamath Counties) was 2% over the thirteen-year study period. The two studies do not necessarily contradict each other, as the difference between this finding and the 1% finding in the 2001 report could easily be due to the omission of large fire suppression contracts.

Lakeview District was the only one of the three districts to conduct a contractor workshop—in this case jointly with EWP, GCAP and LCRI. The preparation and the workshop itself gave the district a head start in considering strategies to optimize use of local contractor capacity. A planning guide for conducting similar workshops, and two contractor guides are included in Appendix A and B.

District Questions:

1. Is there information in the federal procurement dataset or EWP contractor database that could help optimize utilization of local capacity in the work categories below?
 - Juniper and other thinning and related tasks (mechanical thinning, hand thinning, shearing, piling & burning, multi-task thinning-related contracts;
 - Other vegetation management;
 - Road maintenance, stabilization & decommissioning;

- Recreation tech work.
2. What are the opportunities to increase local capture by better matching needs (demand) to actual or developing local capacity?

Information on selected contract work categories: Projected demand for the types of work listed above is driven by a combination of factors including recent national emphasis on competitive sourcing the BLM and Forest Service. Work in the district that is being considered for competitive sourcing includes road maintenance and recreation tech work—work that has been performed until now by seasonal employees. The Districts new Resource Management Plan and other planning factors suggest the increase in Juniper and other thinning-related work, and in other vegetation management.

To find information on local firms active in these work categories we refer to the EWP contractor database summarized in Table 10 and the discussion of local contractor capacity above, and the on a more detailed discussion of the federal procurement data than was presented in the discussion on utilization of local capacity.

The EWP contractor database includes 57 firms with known business activity or industry category information, of which 31 are in the *Forest & Range Work* category and only 15 in the *Road and Watershed Construction Work* category. Although the local capture rate in the federal procurement data was better for heavy equipment work than labor-intensive work, as was suggested above, firms that do heavy equipment work may be disappearing especially from Lake County. This, together with the fact that much of the future road construction may be in larger, statewide contract solicitations, means that district staff and their local partners may have difficulty finding opportunities to use local capacity for road work.

There may also be challenges with thinning and related work, although much of the local capture was in thinning contracts over \$25,000, which suggests the presence of local capacity for contracting or subcontracting thinning work. All of that local capture was after 1996, and most of it was in the *tree thinning*, *land treatment practices*, and *other range-forest improvement/non-construction* PSC categories, with firms from both local counties doing the work. The recent high contract award totals in 2001 as well as high capture rates in 2001 and 2002 are also hopeful signs.

The only Product Service Codes related to work recreation techs might have done in the past are *recreation site maintenance/construction* and *recreation services*. No Lakeview District contracts recorded in the federal procurement data set were assigned to either of these PSC categories. To identify potential local firms for anticipated recreation-related contract work, district manager should work with LCRI, Klamath and Lake County economic development staff and GCAP to develop an outreach strategy and contact list.

Table 19. Local Capture by County;
Lakeview District BLM, 1990 - 2002

Contracts under \$25,000 in Klamath and Lake Counties (1996-2002 data only)

Year	Total (2002 \$)	Local	Nonlocal	Unknown	% Local
1996	138,552	46,062	92,490		33%
1997	210,383	67,969	142,414		32%
1998	166,890	77,025	89,865		46%
1999	31,199	6,203	24,996		20%
2000	82,663	10,721	33,339	38,603	13%
2001	51,335	7,255		44,080	14%
2002	135,858	32,479	62,112	41,267	24%
	816,879	247,715	445,215	123,949	
	100%	30%	55%	15%	

Contracts over \$25,000 in Klamath County

Year	Total (2002 \$)	Local	Nonlocal	% Local	
1990	125,172		125,172		
1991	-1,321		-1,321		
1992	242,308		242,308		
1993	623,910		623,910		
1994	304,612		304,612		
1995	188,902		188,902		
1996	146,789		146,789		
1997	97,534		97,534		
1998	168,874	121,413	47,461	72%	72%
1999	617,711	116,631	501,080	19%	19%
2000	291,536	61,651	229,885	21%	21%
2001	3,120,935	927,846	2,193,089	30%	30%
2002	1,650,000	34,000	1,616,000	2%	2%
	7,576,961	1,261,540	6,315,421		
	100%	17%	83%	0%	

Contracts over \$25,000 in Lake County

Year	Total (2002 \$)	Local	Nonlocal	% Local	
1990	189,821		189,821		
1991	634,082		634,082		
1993	220,423		220,423		
1994	63,107		63,107		
1995	151,122		151,122		
1996	568,807	91,743	477,064	16%	16%
1997	311,659		311,659		
1998	917,219	123,620	793,598	13%	13%
1999	549,676	16,199	533,477	3%	3%
2000	574,713	129,572	445,141	23%	23%
2001	1,985,772	180,894	1,804,878	9%	9%
2002	466,000		466,000		
	6,632,401	542,028	6,090,373	1	8%
	100%	8%	92%	0%	

As a further resource for district partners we have included here a county-level enumeration of annual contract award totals with local and nonlocal share of the annual totals. (See Table 19) As we might expect the local capture rate among locally procured contracts under \$25,000 was higher and more consistent than among contracts over \$25,000. The aggregate local capture rate was 30% for contracts under \$25,000, 17% and 8% for contracts over \$25,000 in Klamath and Lake Counties respectively.

Capture of work by firms in either of the two local counties was higher for work in Klamath County than in Lake County. Klamath County firms seem to have played a smaller role in Lake County work than in their own county, and Lake County firms did not fill the local capture vacuum. With a much lower population density, and lacking the technical and community colleges and other institutional supports in Klamath County it is not a surprise to see this low capture rate.

None of the heavy equipment or technical contracts over \$25,000 for work in Lake County were won by firms in Lake County. Lake County firms did perform work in each of these categories under smaller contracts. Contractors based in the two counties did BLM contract work in Klamath County only in the five years after 1997, with capture rates ranging from 2% to 72%, and in Lake County only during five years after 1996, with capture rates ranging from 3% to 23%.

Opportunities to optimize use of local capacity:

The information presented on local capture rates and capacity suggests significant challenges for BLM and partners interested in increasing utilization of local capacity. Two broad action strategies have been suggested in the course of EWP work on this project: 1) conduct follow-up outreach and an annual contractor workshop to improve two-way communication with local businesses, and 2) explore opportunities to foster subcontracting by major regional contractors to smaller firms in Klamath and Lake counties. The first strategy is appropriate for recreation,

thinning and other vegetation management, and road maintenance and construction work, and is discussed in recommendations section.

With the solid track record in helping area contractors over the past four years, LCRI and other partners might be able to offer coordination to help smaller local firms develop subcontracting relationships with larger regional firms such as Grayback Forestry Contracting for thinning and vegetation management or Tidewater Contractors, Inc., for road maintenance and construction work. This would require careful preparation and collaboration to steer clear of collusive market behavior that is prohibited by federal procurement rules in order to protect small and larger firms as well as federal taxpayers from abuse.

7. Resources for contractors

To help foster the industry stability that is necessary to build quality job opportunities in contracted natural resource management work, the Ecosystem Workforce Program has worked on several fronts over the past decade to provide the information contractors need to succeed. Our experience has led us to focus on two strategies that offer significant benefits for a modest investment. The first is contractor guides such as our on-line and hard copy informational resources, including the two contractor guides in Appendix B, developed for this project, and the contractors manual developed by the Government Contract Assistance Program, available on the EWP web site along with EWP short guides and contracting information resources (<http://ewp.uoregon.edu/>). Early in our work with BLM on this project we determined with our partners that the newly revised GCAP contractor manual, “Contracting with Civilian Agencies of the Federal Government,” fills the need for a general purpose guide to contracting. We requested permission to post the GCAP guide on our website and turned our attention to producing two special focus guides we and our partners concluded were urgently needed, providing information on electronic commerce and selecting a NAICS code.

The second strategy is contractor outreach and workshops. This strategy is only possible with local organizational partners who can work with federal agencies to plan, conduct and follow up on workshops. Much of the potential benefit in a good workshop is lost if no one is there to follow up with hands-on assistance, targeted information resources and support for small businesses. Often the need for, and readiness for, information presented at workshops does not emerge until after the workshop. Local organizations with the capacity to fill this need cannot be replaced by regional support resources such as GCAP, Sustainable Northwest and EWP. Lake County Resources Initiative in Lakeview, Central Oregon Intergovernmental Council in Bend, and Wallowa Resources in Enterprise are examples of local organizations that provide the needed ongoing information, support and workshops planning needed to support local businesses. County economic development staffs and business development centers, such as the BizCenters, have the potential to help fill this gap, but it has been difficult to develop the interest and resources to do so.

We have seen great benefit from such workshops in southwestern, south-central, central, northwest and northeast Oregon communities. In Hebo Oregon an annual March contractor workshop has been held since 1996, planned jointly by the Tillamook Small Business Development Center and the Hebo Ranger District. A 2002 contractor workshop in John Day made a difference for local contractors. After getting good information on best value contracting and how to plan for Indefinite Delivery Indefinite Quantity (IDIQ) contracts, local firms’ share of contract awards increased dramatically. Workshops are most effective when they are part of a comprehensive communications strategy, aimed at two-way information transfer. Businesses need solid knowledge of the needs and contracting processes of federal agencies. Federal agencies need regular information on local capacity and the business drivers and constraints that can make or break a small business. In short, healthy market function exists only if there is robust, two-way market communication. The workshop planning information in Appendix A highlights key partners, processes and agenda elements that should be considered in planning a contractor outreach and workshop strategy.

8. Conclusions & Recommendations

Summary conclusions:

Oregon is by far the most active state in federal natural resource contracting compared to its neighbor states to the north and south. Oregon has more work, more contractors, and Oregon firms capture more of the work in their own state than Washington and California firms do in their own states. This defining characteristic of the service contract market cuts both ways for businesses in the three BLM districts, as it does for all Oregon firms: They have more work than their counterparts in the other two states, but they also have plenty of competition.

There is a small cadre of leading firms in one or more of the counties local to the three districts. But all local firms have to work hard to compete with local and nonlocal leading firms and the many, many lesser firms. The prominence of nonlocal contractors based in Marion, Josephine and Jackson Counties reflected in other EWP studies is clearly present in the contracting history in Coos Bay, Eugene and Lakeview BLM Districts. But Eugene-Springfield firms, although on the I-5 corridor and historically another center for contracting activity, did not play a significant role in the Coos Bay and Lakeview Districts.

These are the dominant geographic patterns common to the three districts however, but beyond these common features, patterns varied among the districts with regard to the role of firms based in local and nonlocal counties. Coos Bay District, for instance, appears to have relied on local or nearby firms to a great extent but, when using nonlocal firms, was as likely to award contracts to distant firms (e.g., labor-intensive work by firms in Lewis County, Washington) as to firms in closer nonlocal counties (e.g., Lane, Josephine or Jackson Counties).

These patterns among local and nonlocal firms suggest that each of the districts appear to have their own distinct markets, and may have their own unique challenges and opportunities in future efforts to optimize use of local capacity.

There is a continuing need for information and assistance to help contractors adapt to the changed procurement environment. The experience of LCRI in Lake County, feedback at the Lakeview EWP-BLM-GCAP contractor workshop, and discussion at a workshop on future procurement activity at the Coos Bay District all suggest that information and assistance for businesses in local and adjacent counties are needed to adapt to:

- 1) changes in the kind of work likely to be procured in the next three to five years,
- 2) the shift to best value contracting, and
- 3) the shift to electronic commerce.

Local organizational capacity outside the BLM Districts is needed to provide the ongoing support, access to electronic commerce, and information needed to get the most out of regular workshops. A suggestion at the Coos Bay workshop makes a lot of sense: Establish a local “gateway” using use local business development organizations to help businesses make these adaptations.

Finally, there is evidence in the three districts' contract records that some heavy equipment contractors, firms in Multnomah and Clackamas County for example, travel longer distances for work, somewhat contrary to patterns we have seen throughout the region suggesting a local advantage in this type of work. This may be a signal that the large, statewide contracts for road work being considered by the BLM Oregon State Office may be enough to weaken local heavy equipment market position.

Recommendations for all three districts and for individual districts are offered here. Our work on this cooperative project underscores the unique features of each district. We cannot overemphasize that implementation of any of the recommendations for all three districts would necessarily take a different shape in each of the districts.

Recommendations for the three districts

1. **Develop understanding of district-level market features:** Building on the information in this report, each district should bring together district managers and, where appropriate, local economic and community development partners and even area contractors, to create a detailed characterization of area market dynamics in the context of the statewide and Pacific Northwest market structure and dynamics. The questions raised in our discussion of local utilization are only a starting point, with some probing questions. Local partners need to ask, “What have we got?” A strategic approach focuses on assets to maximize opportunities. This should include a clear picture of local market structure and behavior. It should be reviewed periodically—and frequently, if the current pace of change continues. Based on this ongoing monitoring, districts or local partnerships can:
 - identify opportunities for strategic improvement in utilization of business capacity through appropriate project design and procurement strategies;
 - foster the local organizational capacity needed to fill any identified gaps in capacity or utilization by assisting small businesses;
 - develop a low cost, high effectiveness system for on-going monitoring and adaptation that links contract market improvements with implementation of BLM resource management plans.
2. **Build two-way communication:** District personnel need to be clear on the landscape needs and policy/administrative inputs to any decisions on what work is coming along and how it should be accomplished. And they need to regularly share that information with external partners, including businesses the agency relies on. Adaptive management should follow a sequence: assessment (baseline) and monitoring (on-going), evaluation, planning, implementation, and back to monitoring. Because external business and workforce capacity is increasingly an important part of the organization's work, they need to be fully aware of the adaptive management framework. The federal resource management framework is complex because it is informed simultaneously by the policy framework, budgets, understanding of the landscape, and understanding of the human systems involved. Thus the adaptive management cycle, to function well, must provide a two-way flow of learning and adaptation in the policy, landscape and local socioeconomic dimensions. This means agency

personnel must be skilled at sharing the knowledge and information that drives its work, and at listening well for the information it needs to continually refresh its planning and implementation framework.

3. **Uncover the “buried treasure:”** In each of the three districts we found managers and resource and procurement specialists eager to get the best possible results for the landscape, and eager to engage in open and forward-looking working relationships with the external businesses and workforce that will help them do so. The challenge is that agency personnel are frequently reluctant to put their best foot forward. When line officers resource specialists and procurement specialist prepared well for the November contractor workshop in Lakeview the results were tremendous. A welcoming, open environment was created; useful, appreciated information was delivered; and useful information was gathered from participating contractors. The people of BLM are the irreplaceable treasure and should be supported to be front-and-center in any efforts to enhance outreach and communication with the contractor community.
4. **Workshops and outreach:** Districts should work with local and regional partners to conduct annual workshops, supplemented by print and web information, and ongoing contractor support by local organizations.
5. **Gateway partnerships:** Because rapid change in procurement continues, districts should work to support development of external local capacity to:
 - follow up on inquiries and local workshops with assistance and information resources;
 - provide access to computer terminals and assistance with CCR, access to contract solicitations, and other aspects of electronic commerce;
 - provide business development and bonding information, assistance with licensing and HUB Zone, and referrals to GCAP and other resources for more intensive training;
 - explore appropriate opportunities to foster subcontracting relationships between smaller local firms and larger nonlocal and local firms;
 - contribute to the two-way flow of information from and to the agency and contractors

In the Lake County Resources Initiative, Lakeview District has a local partner with four years of experience with many elements of this gateway model. Coos Bay District is working with the local business development center and GCAP to conduct a contractor workshop this season, and to explore potential for gateway functions there. Eugene District should contribute to and learn from these two efforts, and consider a similar gateway effort with their local business development center, the Springfield GCAP office, EWP and or other partners.

Recommendations for individual districts

Coos Bay District

- Explore the particular features of past contracting patterns, in particular the reliance on distant firms in technical work. There may or may not be very good reasons for these patterns. District staff people need to know those reasons.

- The southwestern Oregon zone business outreach list for A&E procurement should be explored as a resource for reducing reliance on distant firms where appropriate.
- Make monitoring information on assistance agreements and competitive contracting available to cooperative agreements and contracting partners. Through valid, shared information misconceptions and worries may be put aside, allowing focus of collaborative attention on common objectives and strategies. The Coos Bay District should allocate the time and resources needed to thoroughly review assistance agreements and to engage relevant partner organizations in evaluating performance and impacts to date, redefining goals and objectives and mapping strategies for the future

Eugene District

- Explore the particular features of past contracting patterns summarized above, particularly
 - the reduced utilization of local labor contractors after 1996,
 - the market factors that make a difference for small and large local contractors, and
 - efficiencies that can be gained by seeking better two-way communication with the local firms as well as those that are non-local but accessible to the district from elsewhere in the Willamette Valley, or on the I-5 corridor.
- Consider collaborative information sharing and strategic thinking with the Cascade Pacific RC&D, local watershed councils, and the “county payments” Resource Advisory Committee to explore:
 - common objectives on connected landscapes
 - opportunities to bring new funding and other resources to accomplish those objectives
 - joint monitoring to support continued improvements by each partner

Lakeview District

- Find opportunities to develop smaller labor-intensive contracts along with the larger ones.
- Deepen the working relationship with Lake County Resources Initiative (LCRI) and the interagency relationship with the Fremont-Winema National Forest. The progress so far and the potential are world class.
- Encourage and support LCRI to explore opportunities to foster subcontractor relationships between smaller local firms and the large firms serving regional markets, such as Grayback Forestry Contracting for thinning and vegetation management or Tidewater Contractors, Inc., for road maintenance and construction work. This would require careful preparation and collaboration to stay within the appropriate federal procurement rules.

9. Appendix

- A. Planning Workshops for Forest and Watershed Management Contractors**
- B. Contractor Guides and Information Resources**
- C. Contractor Comments on Doing Business with Federal Land Management Agencies**
- D. Local and Nonlocal Contract Awards for Each Type of Work in the Coos Bay, Eugene and Lakeview Districts, 1990 - 2002**
- E. Where Do Coos Bay District's Local Contractors Work?**
- F. Estimating Future Contracting Needs in Coos Bay BLM District**

Appendix A

Planning Workshops for

Forest and Watershed Management Contractors

Purpose:

Provide a regular, accessible and open format for the two-way transfer of information between federal land management agencies and local contractors about:

- the resource management objectives, procurement processes and anticipated contracted work of the federal agency;
- the business considerations and constraints that can make a difference for contractors;
- contribute to the rapid adaptation to electronic commerce in federal procurement.

Key Issues:

- Who are the key local organizational partner and regional resource organizations? Think about:

Local Partners:

- Local Workforce Investment agency
- County and other community and economic development agencies
- Business Development Center
- Community development corporations
- Local Employment Department staff
- Resource Advisory Councils
- RC&D and local watershed councils

- Local natural resource organizations (such as Lake County Resources Initiative and Wallowa Resources)
- Contractor and work groups and associations
- Local elected officials

Regional resources:

- GCAP
- Ecosystem Workforce Program
- Sustainable Northwest
- Oregon Community and Economic Development Department.

- What are the likely contractor information needs?
- Who are the best possible presenters for that information?
- What is the most important information to communicate to contractors about project planning, resource management objectives, and procurement requirements?
- Who will be the co-sponsors? And what is the best site to be welcoming and promote active learning and discussion?
- Assure an active voice line officers, natural resource specialists and procurement specialists; communicate the core mission, needs and constraints
- Should computers and Internet access be available at the workshop?
- What take-away print or other materials should be on hand?

- What is the best time of day & day of the week? And how long should the workshop run? (Four hours is a practical minimum; more than a full day is very difficult for contractors.)
- What refreshments and food are needed? (Plan for a simple lunch if and all day session.)
- What are the costs, how will they be covered, and should there be a fee for lunch?
- Are there ways you can involve contractors in planning the workshop?
- Outreach and recruitment must be multi-faceted to work well: 1-on-1 contact by phone, local newspaper article, email notice with rsvp request, mailing with flyer and registration form,

Planning tasks & Timeline:

Tasks:	Timeline:
• Get started six to twelve months before the estimated workshop date; think about a January to March date to avoid contractors’ busy seasons.	6 – 12 months before workshop
• Designate a planning team and lead coordinator/buck stopper (most planning can be done by conference call if needed).	4 – 8 months ahead
• Set date & commit cosponsor organizations.	3 – 6 months ahead
• Begin initial outreach to contractors – “save the date.” (phone, organizational and networking)	3 – 6 months ahead
• Select and commit site	2 – 5 months ahead
• Collaborative planning for objectives and rough agenda.	2 – 5 months ahead
• Select & commit presenters, facilitator & site/facilities coordinator.	2 – 4 months ahead
• Final external agenda & internal agenda with timing and notes for presenters.	2 – 4 months ahead
• Mail & email recruitment packet or flyer and registration information.	6 weeks – 2 months ahead
• Coordinator visit to workshop site	4 weeks – 2 months ahead
• Initial presenter planning session	4 weeks – 2 months ahead
• Plan and commit equipment and facility set-up (projectors, PA, computer terminals etc.)	4 weeks – 2 months ahead
• Newspaper & radio news stories and announcements	2 – 4 weeks ahead
• Refreshments / lunch order.	2 – 3 weeks ahead
• Final handouts and instructional material ready	1 – 2 weeks ahead

for duplication; include an evaluation form for participants.

- Final presenter prep session; consider dry run presentations. 1 week ahead
- Prepare participant packets, nametags, materials, roster and sign-in sheet for drop-in participants. 1 day ahead

Follow up

- Quick debrief with all presenters and partners present, immediately following workshop.
- Identify participant follow-up needs and make assignments if needed.
- Record evaluation items for future workshops (“keep___,” “stop___,” and “start” items)
- Record brief notes (what worked & what did not; important new information for contractors & for the agency), and list of participants.
-
-

Workshop information examples

Item	Source
CCR, Pro-Net, Fedbizops, HubZone and other contract market resources	Federal agencies, GCAP
available local and regional business and workforce development resources	BizCenter & WIB
bidding to meet new BLM resource management needs and requirements	Federal agencies, GCAP
licensing, bonding, other compliance issues	GCAP
operations and contract management	SBDC, GCAP
emerging resource management service contracting needs.	Federal agencies

Sample agenda (attached)

Contracting Opportunities with the Bureau of Land Management

Friday, November 7 2003

BLM-Forest Service Interagency Office, Lakeview

- 1:00 Introductions *Charles Spencer, Ecosystem Workforce Program*
Contracting resources, business and workforce development assistance
- 1:15 *Tom Rasmussen and Joe Tague, Lakeview District BLM*
Emerging resource management service contracting needs
- 1:35 *De Ette Stoffleth, Lakeview District BLM & Bob Gibbs, Fremont National Forest*
Bidding to meet BLM & Forest Service resource management needs and requirements
- 2:10 *Bill Duke, Lake County Resources Initiative*
Using electronic commerce: CCR, Pro-Net, FedBizOps, HubZone, and other contract market resources
- 2:30 *Jim Beltram, Government Contract Assistance Program*
Overview: compliance with contracting regulations
How Government Contract Assistance Program can help you with licensing, bonding, and other compliance issues
- 3:00 Question and answer roundtable with information resource people
- 4:00 end



Appendix B

Contractor Guides and Information Resources

As a key part of this collaborative assessment project EWP developed two short contractor guides that our partners and we concluded were urgently needed, designed to provide critical hands-on information on electronic commerce and on selecting a NAICS code. These two guides are included in this appendix.

The newly revised contractor manual, “Contracting with Civilian Agencies of the Federal Government,” produced by the Government Contract Assistance Program, fills the need for a detailed, general purpose guide to contracting.

Both EWP short guides and the complete GCAP manual (with federal forms included) are available for review and download as PDF files at the EWP web site. Please visit us at:

<http://ewp.uoregon.edu/>



ECOSYSTEM WORKFORCE PROGRAM

Resources for Contractors in Oregon

As of October 2003 all contractors doing business with the Forest Service and BLM must do so via electronic commerce through computer access to the Internet. Listed below is information about how to find federal and state contracts, and complete the on-line registration required to contract with the federal government. The steps you need to follow are listed here; each step may require some time and effort (and possibly visiting a web site more than once):

1. **(required)** Get a DUNS number assigned to your company (see Dunn & Bradstreet D-U-N-S below)
2. **(required)** Select a NAICS and SIC code for your company (see the EWP Contractors NAICS Guide or the NAICS websites below)
3. **(required)** Get the “ABA routing number” for your company bank account from your bank or read it from the electronic imprint on your company check (account number is also needed).
4. **(required)** Register on-line with Central Contractor Registration with (CCR). (see CCR below)
5. Register with HUB Zone. (see below)
6. Register with SBA PRO-Net and FedBizOps to get information on solicitations and to sign up to get email lists of solicitations. (see below)

If you do not have a computer you can usually use one at your local Small Business Development Center or library (listed in your phone book).

Contracting Requirements

Dunn & Bradstreet D-U-N-S

<http://www.dnb.com/dnbhome.htm> • (800) 333-0505

The D-U-N-S Number (Data Universal Numbering System) is a nine-digit number required by the federal government and some private industry in addition to the Employee Identification Number.

NAICS Code

<http://www.census.gov/epcd/naics02/naicod02.htm>

<http://www.sba.gov/businessop/standards/naics.html>

Companies registered in CCR or PRO Net must be identified with a particular industry using the North American Industry Classification (NAICS) system. It is very important that you choose your NAICS code carefully so that agencies seeking bidders can find you. Since NAICS codes replaced the SIC code system some NAICS codes have changed, so be sure to check for the proper current NAICS code.

Central Contractor Registration (CCR)

<http://www.ccr.gov/>

Effective October 1, 2003, contractors must be registered in the CCR in order to receive contracts, purchase orders or payments (even from previously awarded contracts) from most federal agencies, including the BLM and the FS. To remain active, a vendor must update their records annually whether a change has occurred or not. Beginning October 1, written pre-solicitation notices will no longer be mailed. Lists for sealed bids and proposals will only be available on FedBizOpps. Be sure to show in your registration if you are certified as HUB Zone, minority-owned or women-owned. Before trying to register on-line, download the registration form so you can print it and fill it out when you can search for needed information. Then go on line and read the information from your paper form as you enter information at the web site.

Oregon Bureau of Labor and Industries (BOLI)

<http://www.boli.state.or.us/wage/finfo.html> • (503) 731-4200 ext. 2 (then press 4)

To undertake labor-intensive forest work in Oregon, you must have a Forest/Farm Labor License. The Farm/Forest Labor Unit of BOLI's Wage and Hour Division processes contractor licensing, and provides information on related state and federal labor regulations. Call (503) 378-3292 for information on licensing, regulations or apprenticeship programs.

Federal Acquisition Regulation (FAR)

<http://www.arnet.gov/far/>

The federal acquisition regulations are the rules that govern federal contracting.

Finding Federal and State Contracting Opportunities

Federal Business Opportunities (FedBizOpps)

<http://www.fedbizopps.gov/> • (877) 472-3779

FedBizOpps lists most federal government procurement opportunities over \$25,000. Businesses may view solicitations by agency and region, and register to receive solicitations by email. The federal government no longer publishes paper copies of the bid abstracts. FedBizOpps replaces *Commerce Business Daily*.

SBA PRO-Net

<http://pro-net.sba.gov/>

Pro-Net is an internet-based database for federal agencies and prime contractors seeking small businesses (including disadvantaged, 8(a), HUZ zone, and women-owned businesses). If you are signed up on Pro-Net, federal agencies may ask you to provide quotes for contracts, even if they will not be solicited widely. You can only sign up for Pro-Net on line.

HUB Zone Program

<https://eweb1.sba.gov/hubzone/internet/>

Contractors located in rural communities should see if they are located in a HUB Zone. If you are in a HUB Zone, sign up to become a HUB zone certified firm and gain preferential access to contracts over \$100,000. To become a HUB Zone certified firm, you must sign up for Pro-Net.

Forest Service Region 6 Acquisition Management

<http://www.fs.fed.us/r6/ppm/> • (503) 808-2971

This website gives access to a variety of procurement information including current contract solicitations in Oregon and Washington. Each forest or procurement zone also has its own web site.

Bureau of Land Management Oregon/Washington Procurement

<http://www.or.blm.gov/procurement/> • (503) 808-6218

To be learn about contracts under \$25,000 from the BLM, businesses may apply on-line to be included in the state-wide Bidders Mailing List System (DUNS number required; see below)

State of Oregon Purchasing

<http://tpps.das.state.or.us/purchasing/vendor.html> • (503) 378-4642

The State of Oregon Vendor Information Program (VIP) provides access to bid solicitations by the State of Oregon. The Internet access is only by Telnet—awkward but fairly straightforward, with clear instructions. Solicitations and awards may be viewed and businesses may register through VIP access. GCAP can provide help in using this system.

Oregon Department of Transportation

<http://www.odot.state.or.us/ssbpublic/pems/vendor.htm> • (503) 986-2710

Bidders may register on-line through this site, and may download Invitations for Bid (IFB) and Requests for Proposals documents. ODOT encourages participation of Emerging Small Businesses (ESB) in state contracting, providing certification for businesses with fewer than 20 employees and gross receipts of \$300,000 or less (\$1M for construction).

Business Assistance & Capital Access

Government Contract Assistance Program (GCAP)

<http://www.gcap.org/> • 800-497-7551

GCAP provides technical assistance and training for businesses interested in doing business with government agencies—a first stop for information on licensing, bonding, regulations and access to solicitation information

Oregon Small Business Development Center Network

<http://www.bizcenter.org/> • 541-463-5250

The SBDC Network can put you in touch with local SBDCs, usually based at community colleges, for general business assistance.

Community Economic Development Resources

<http://www.econ.state.or.us/services.htm>

Local and regional community economic development agencies are an important gateway for access to local business development resources. Click on your region of the Oregon map.

Workforce Development Resources

<http://www.workforce.state.or.us/workforce.htm>.

Oregon's system of One-Stop workforce development centers can be found clicking on "Map of One-Stop Regions," and selecting your region.

Business Development Team, Oregon Economic and Community Development Department
<http://www.econ.state.or.us/business.htm> • (800) 233-3306 (in Oregon Only)

The Business Development Team can work with businesses and local government partners to develop collaborative strategies to improve business capacity and utilization.

ONABEN: A Native American Business Network

<http://www.onaben.org/> (800) 854-8289

ONABEN provides general business assistance for Native American businesses.

Oregon Association of Minority Entrepreneurs (OAME)

<http://www.oame.org/> • (503) 249-7744

OAME is a resource for minority owned businesses, especially in learning about SBA 8(a) contracting opportunities.

Cascadia Revolving Fund

<http://www.cascadiafund.org/loan3.html> • (503) 235-9635

Cascadia Revolving Fund provides financing and technical assistance to small businesses in Washington and Oregon that are unable to access credit from traditional sources.

ShoreBank Pacific

<http://www.cascadiafund.org/loan3.html> • (503) 916-1552

ShoreBank Pacific is dedicated to long-term community prosperity and a healthy environment and offers commercial loans including revolving line of credit and equipment term loans.

Southern Oregon Women's Access to Credit (SOWAC)

<http://www.sowac.org/> • (541) 779-3992

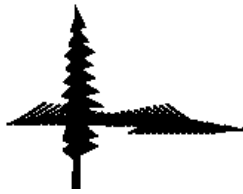
Provides business development assistance and loans to small businesses (not just women owned) in Jackson, Josephine, Klamath, and Lake Counties in Oregon.

Small Business Administration

<http://www.sba.gov> • 503-326-5101

Manages federal contracting and business assistance programs for small businesses. Provides access to capital and business development assistance for certain types of qualified small businesses.

Ecosystem Workforce Program
5247 University of Oregon, Eugene, OR 97403-5247
<http://darkwing.uoregon.edu/~ewp> • 541-346-4545 • Fax 541-346-2040



ECOSYSTEM WORKFORCE PROGRAM

Contractor Guide to Selecting a NAICS Code

As of October 2003 all contractors doing business with the Forest Service and BLM must do so via electronic commerce through computer access to the Internet and register with Central Contractor Registration (CCR) at <http://www.ccr.gov/>. To register in CCR or PRO Net you must be identified with a particular industry using the North American Industry Classification system (NAICS), as well as an SIC code—the old code system replaced by NAICS. With all electronic commerce, agencies searching for contractors must use NAICS codes to find the right kind of business. It is very important that you choose your NAICS code so that the agency can find you. The table below shows the NAICS codes most frequently assigned to contracted Forest Service and BLM projects, with the NAICS title and description and the corresponding SIC code.

Since the NAICS replaced the SIC code system in the mid-1990's some NAICS codes have changed. The table below shows the appropriate 2002 NAICS code for obsolete NAICS categories¹. To be sure, however, check to see which NAICS best fits your business by reviewing the descriptions here or with on-line NAICS guides. For further help go to the U.S. Census Bureau or Small Business Administration websites listed below.

- Census Bureau NAICS website: <http://www.census.gov/epcd/naics02/naicod02.htm>
- SBA NAICS website <http://www.sba.gov/businessop/standards/naics.html>
- SIC to NAICS conversion <http://epic.od.nih.gov/naics/index.asp>

***Most frequent NAICS codes assigned to
Bureau of Land Management and Forest Service contracts in Oregon from 1997 to 2002***

NAICS	NAICS Title	Total	BLM	FS
111421	Nursery and Tree Production (corresponds to SIC 0181)	11	1	10
	This U.S. industry comprises establishments primarily engaged in (1) growing nursery products, nursery stock, shrubbery, bulbs, fruit stock, sod, and so forth, under cover or in open fields and/or (2) growing short rotation woody trees with a growth and harvest cycle of 10 years or less for pulp or tree stock.			
113110	Timber Tract Operations (corresponds to SIC 0811)	17	17	0
	This industry comprises establishments primarily engaged in the operation of timber tracts for the purpose of selling standing timber.			
113210	Forest Nurseries and Gathering of Forest Products (corresponds to SIC 0831)	42	4	38
	This industry comprises establishments primarily engaged in (1) growing trees for reforestation and/or (2) gathering forest products, such as gums, barks, balsam needles, rhizomes, fibers, Spanish moss, ginseng, and truffles.			

NAICS	NAICS Title	Total	BLM	FS
113310	Logging (corresponds to SIC 2411)	18	12	6
	This industry comprises establishments primarily engaged in one or more of the following: (1) cutting timber; (2) cutting and transporting timber; and (3) producing wood chips in the field.			
115112	Soil Preparation, Planting, and Cultivating (corresponds to SIC 0711)	42	25	17
	This U.S. industry comprises establishments primarily engaged in performing a soil preparation activity or crop production service, such as plowing, fertilizing, seed bed preparation, planting, cultivating, and crop protecting services.			
115310	Support Activities for Forestry (corresponds to SIC 0851)	1626	421	1205
	This industry comprises establishments primarily engaged in performing particular support activities related to timber production, wood technology, forestry economics and marketing, and forest protection. These establishments may provide support activities for forestry, such as estimating timber, forest firefighting, forest pest control, and consulting on wood attributes and reforestation.			
234110	Replaced by 237310, Highway, Street, and Bridge Construction (corresponds to SIC 1611)	239	30	209
	This industry comprises establishments primarily engaged in the construction of highways (including elevated), streets, roads, airport runways, public sidewalks, or bridges. The work performed may include new work, reconstruction, rehabilitation, and repairs. Specialty trade contractors are included in this group if they are engaged in activities primarily related to highway, street, and bridge construction (e.g., installing guardrails on highways).			
234120	Replaced by 237310, Highway, Street, and Bridge Construction (corresponds to SIC 1622)	43	12	31
	This industry comprises establishments primarily engaged in the construction of highways (including elevated), streets, roads, airport runways, public sidewalks, or bridges. The work performed may include new work, reconstruction, rehabilitation, and repairs. Specialty trade contractors are included in this group if they are engaged in activities primarily related to highway, street, and bridge construction (e.g., installing guardrails on highways).			

NAICS	NAICS Title	Total	BLM	FS
234930	Replaced by 237990, Other Heavy and Civil Engineering Construction (corresponds to SIC 1629)	12	3	9
	This industry comprises establishments primarily engaged in heavy and engineering construction projects (excluding highway, street, bridge, and distribution line construction). The work performed may include new work, reconstruction, rehabilitation, and repairs. Specialty trade contractors are included in this group if they are engaged in activities primarily related to engineering construction projects (excluding highway, street, bridge, distribution line, oil and gas structure, and utilities building and structure construction). Construction projects involving water resources (e.g., dredging and land drainage), development of marine facilities, and projects involving open space improvement (e.g., parks and trails) are included in this industry.			
234990	Replaced by 237990, Other Heavy and Civil Engineering Construction (corresponds to SIC 1629)	117	69	48
	This industry comprises establishments primarily engaged in heavy and engineering construction projects (excluding highway, street, bridge, and distribution line construction). The work performed may include new work, reconstruction, rehabilitation, and repairs. Specialty trade contractors are included in this group if they are engaged in activities primarily related to engineering construction projects (excluding highway, street, bridge, distribution line, oil and gas structure, and utilities building and structure construction). Construction projects involving water resources (e.g., dredging and land drainage), development of marine facilities, and projects involving open space improvement (e.g., parks and trails) are included in this industry.			
235930	Replaced by 238910, Site Preparation Contractors (corresponds to SIC 1794)	7	0	7
	This industry comprises establishments primarily engaged in site preparation activities, such as excavating and grading, demolition of buildings and other structures, septic system installation, and house moving. Earth moving and land clearing for all types of sites (e.g., building, nonbuilding, mining) is included in this industry. Establishments primarily engaged in construction equipment rental with operator (except cranes) are also included.			
421390	Replaced by 423390, Other Construction Material Merchant Wholesalers (corresponds to SIC 5039)	21	21	0
	This industry comprises (1) establishments primarily engaged in the merchant wholesale distribution of manufactured homes (i.e., mobile homes) and/or prefabricated buildings and (2) establishments primarily engaged in the merchant wholesale distribution of construction materials (except lumber, plywood, millwork, wood panels, brick, stone, roofing, siding, electrical and wiring supplies, and insulation materials).			

NAICS	NAICS Title	Total	BLM	FS
541330	Engineering Services (corresponds to SIC 8711)	15	0	15
	This industry comprises establishments primarily engaged in applying physical laws and principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems. The assignments undertaken by these establishments may involve any of the following activities: provision of advice, preparation of feasibility studies, preparation of preliminary and final plans and designs, provision of technical services during the construction or installation phase, inspection and evaluation of engineering projects, and related services.			
541620	Environmental Consulting Services (corresponds to SIC 8999)	28	15	13
	This industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations on environmental issues, such as the control of environmental contamination from pollutants, toxic substances, and hazardous materials. These establishments identify problems (e.g., inspect buildings for hazardous materials), measure and evaluate risks, and recommend solutions. They employ a multidisciplinary staff of scientists, engineers, and other technicians with expertise in areas, such as air and water quality, asbestos contamination, remediation, and environmental law. Establishments providing sanitation or site remediation consulting services are included in this industry.			
541690	Other Scientific and Technical Consulting Services (corresponds to SIC 0781)	14	8	6
	This industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations on scientific and technical issues (except environmental).			
541710	Resch. & Development in the Physical, Engineering, and Life Sciences (corresponds to SIC 3721)	170	169	1
	This industry comprises establishments primarily engaged in conducting research and experimental development in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects.			
541720	Research and Development in the Social Sciences and Humanities (corresponds to SIC 9732)	30	28	2
	This industry comprises establishments primarily engaged in conducting research and analyses in cognitive development, sociology, psychology, language, behavior, economic, and other social science and humanities research.			

NAICS	NAICS Title	Total	BLM	FS
541990	All Other Professional, Scientific, and Technical Services (corresponds to SIC 7389)	31	28	3
	This industry comprises establishments primarily engaged in the provision of professional, scientific, or technical services (except legal services; accounting, tax preparation, bookkeeping, and related services; architectural, engineering, and related services; specialized design services; computer systems design and related services; management, scientific, and technical consulting services; scientific research and development services; advertising and related services; market research and public opinion polling; photographic services; translation and interpretation services; and veterinary services).			
561730	Landscaping Services (corresponds to SIC 0782)	8	7	1
	This industry comprises (1) establishments primarily engaged in providing landscape care and maintenance services and/or installing trees, shrubs, plants, lawns, or gardens and (2) establishments primarily engaged in providing these services along with the design of landscape plans and/or the construction (i.e., installation) of walkways, retaining walls, decks, fences, ponds, and similar structures.			

¹ Industry activity in each of the six changed NAICS categories above have been re-distributed to more than one new NAICS code, making it difficult to recommend a clear choice for a single new code. In each case we have selected from among the replacement codes by checking Forest Service and BLM contract records for the most frequent Product Service Code associated with the obsolete NAICS code, then selecting the replacement NAICS code with a description that best fits those PSC's.

Ecosystem Workforce Program
5247 University of Oregon, Eugene, OR 97403-5247
<http://darkwing.uoregon.edu/~ewp> • 541-346-4545 • Fax 541-346-2040

Appendix C

Contractor Comments on Doing Business with Federal Land Management Agencies

EWP Business Scan, 2003

Contractor comments: 1) Business considerations affecting decision to bid on service contracts, 2) Interest in service contracts

1. Business Activity: Technical, Business location: Coos Bay

Comments on business factors affecting decision to bid:

- Generally no difficulty finding solicitations or bidding.

Service contract interests:

- Interested in any engineering, management or computer application contract in disciplines ranging from human resources to natural resource work.
- Work all over the US and some foreign countries.

2. Business Activity: Forest & Range Work, Business location: Philomath

Comments on business factors affecting decision to bid:

- Getting work through FedBizOpps is generally not a problem, but downloading solicitations on-line is not workable (2-4 hours). Frequently print rather than save--quicker.
- Do government work but can't depend on it; inconsistent and not enough offerings.
- Generally do contract cutting for area sawmills awarded timber sales.
- Also bid on sales ourselves. But do not like to be in the situation of bidding on sales against firms we want to serve as contractors.
- Sensitive and endangered species limitation of operating period makes timing very difficult (e.g., owl or murrelet). We have to mobilize a large number of people over a shorter period than works well for our business (difficulty in keeping that crew size busy after the operation is over).
- It works well when we have a long term contract for thinning (one example: 10 year contract; result: one crew member with high level of expertise on that particular forest.)
- Using three levels of difficulty when bidding task orders on an IDIQ contract works well (e.g., planting in light, medium or heavy slash), but only when there is good communication. When communication is regular and effective, usually both parties can agree on level of difficulty and associated costs.

- Experience with service contracts for commercial thinning work (logs decked at landing for sale) has been good; worked well for us.
- Generally have no trouble selling 3" - 6" logs for chip 'n saw, and 6" + to other mills/uses.

Service contract interests:

- Would like to see longer term contracts, allowing some flexibility in scheduling work, and opportunity to become expert on the stand and the lay of the land.
- Suggests combining in one sale package units with no species protection limitations along with units with time window limits. This would give greater flexibility in scheduling normal sized crews.
- It also makes sense to schedule several thinning units within the same watershed in one timber sale contract. More efficient use of crew and equipment; mobilization resources.
- Continue to be interested in doing both commercial thinning and service contract (KV) work.

3. Business Activity: Forest & Range Work, Business location: Florence

Comments on business factors affecting decision to bid:

- IDIQ (unspecified quantity and location) works well if the CO is experienced and willing to negotiate reasonable compromises on level of difficulty.

Service contract interests:

4. Business Activity: engineering, Business location: Coos Bay

Comments on business factors affecting decision to bid:

Service contract interests:

- Interested in culvert replacement and upgrade, design-and-build work; anywhere within 200 miles of Coos Bay headquarters.

5. Business Activity: Forest & Range Work, Business location: Coos Bay

Comments on business factors affecting decision to bid:

- There don't seem to be reliable mechanisms to favor local labor contractors in federal contracting.
- Access to federal solicitations was difficult before electronic commerce; now it's harder.
- Still hard to compete against businesses out of compliance with workers comp and other regulations; wage surveys and enforcement are weaker than in the past.
- Recent reciprocity agreement with state of Washington allows their contractors to work here much longer at the lower Washington workers comp rates than in the past.

6. Business Activity: Road and Watershed Construction Work, Business location: Langlois

Comments on business factors affecting decision to bid:

- Interested in excavator work for federal agencies but can't do work too far from home (>120 miles).

7. Business Activity: Forest & Range Work, Business location: Port Orford

Comments on business factors affecting decision to bid:

- Find it hard to access solicitations on some FS and BLM units.
- Have smartwood resource manager certification; mostly working for private nonindustrial forest land owners; the skill doesn't seem to be valued by some of the federal agencies.

8. Business Activity: Forest & Range Work, Business location: Eugene

Comments on business factors affecting decision to bid:

- It makes bidding very difficult when indefinite quantity and location; have to bid the contract without knowing the ground or level of difficulty.

Service contract interests:

- Most associated K-V project work.
- Small commercial thinning operations (service contract or timber sale).

9. Business Activity: Logging, Business location: Blachley

Comments on business factors affecting decision to bid:

- Only work for private industrial land managers or sawmills. Sometimes the work for those customers is on public lands.
- Don't bid FS service contract solicitations; most are too big; bonding and bid guarantee requirements are too high.
- Frequently do right-of-way and other merchandising (cut, sort, buck and deck); sometimes with as many as 13 sorts.
- Limiting TS to summer months means market crowded and prices drop off (temporary over-supply).

Service contract or commercial thinning interests:

- Want to bid on culvert and rock or log placement
- Would bid on small timber sales including one or more small units if there was more variety in TS size offerings.

- Would be interested in a mix of culvert and other work with small thinning project.

10. Business Activity: Logging, Business location: Deadwood

Comments on business factors affecting decision to bid:

- Cost is the main factor affecting my decision to bid or not.

Service contract or commercial thinning interests:

- Would be interested in information on BLM timber sales.
- Only bid on timber sales, not service contracts.
- Like the idea of purchasing logs decked at the landing.
- Interested in expanding into building construction

11. Business Activity: Forest & Range Work, Business location: Florence

Comments on business factors affecting decision to bid:

- IDIQ (unspecified quantity and location) works well if the CO is experienced and willing to negotiate reasonable compromises on level of difficulty.

Service contract or commercial thinning interests:

12. Business Activity: Forest & Range Work, Business location: Seal Rock

Comments on business factors affecting decision to bid:

- Subcontracting to private industrial for work on a federal timber sale works well.
- The more specialized work (wildlife snags) means I have a hard time getting contracts close to home.
- I've been able to stay on FS pre-solicitation mailing lists, but BLM drops me from list after one notice.

Appendix D

Local and Nonlocal Contract Awards for Each Type of Work in the Coos Bay, Eugene and Lakeview Districts, 1990 - 2002

Coos Bay District contracts over \$25,000:

Figure 12. Local and Nonlocal Award Totals, Equipment Work, Coos Bay District, 1990-2002

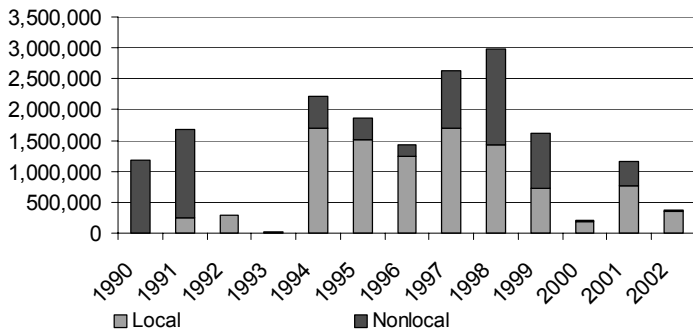


Figure 13. Local and Nonlocal Award Totals, Labor-intensive, Coos Bay District, 1990-2002

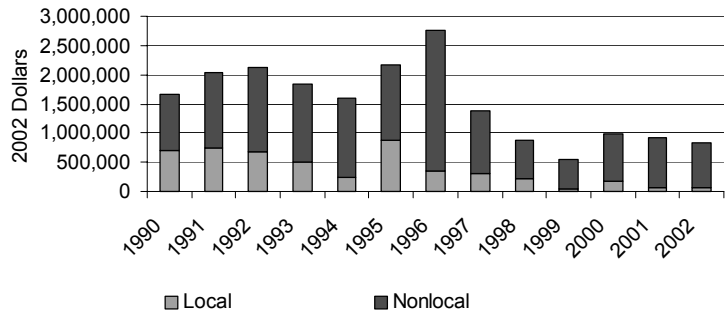
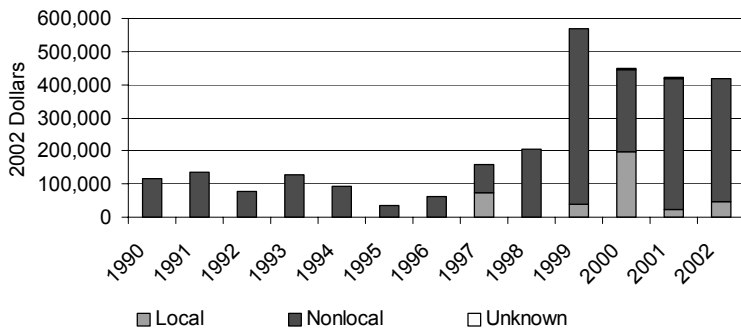


Figure 14. Local and Nonlocal Award Totals, Technical Work, Coos Bay District, 1990-2002



Eugene District contracts over \$25,000:

Figure 15. Local and Nonlocal Award Totals, Equipment Work, Eugene District, 1990-2002

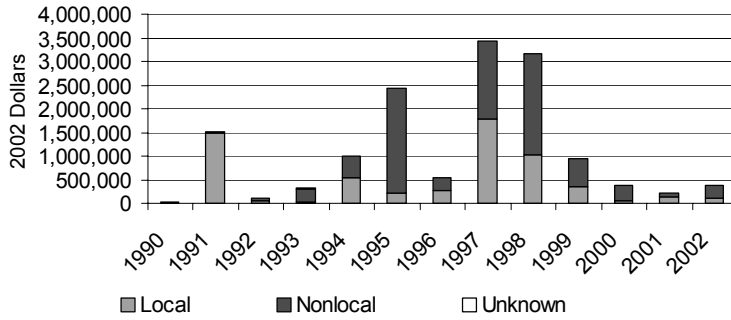


Figure 16. Local and Nonlocal Award Totals, Labor-intensive Work, Eugene District, 1990-2002

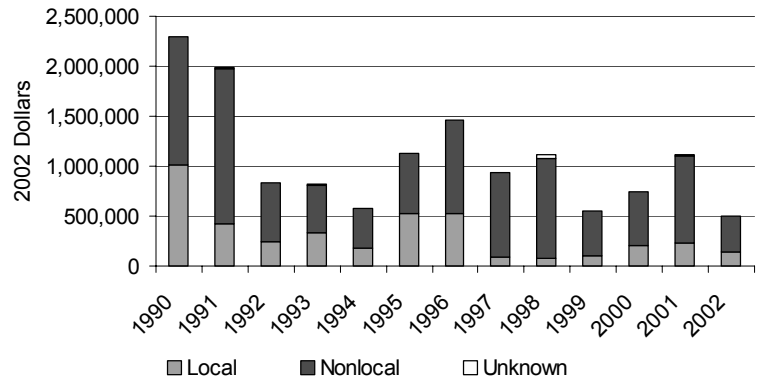
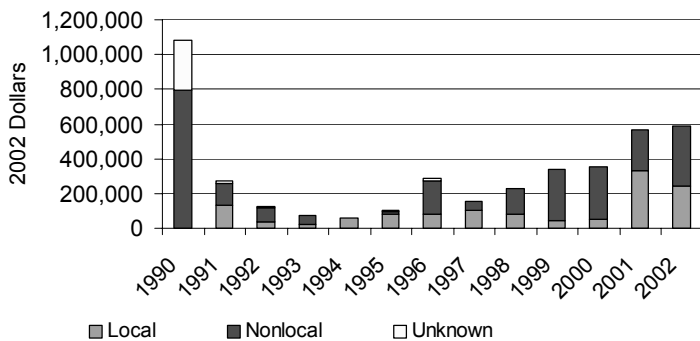


Figure 17. Local and Nonlocal Award Totals, Technical Work, Eugene District, 1990-2002



Lakeview District contracts over \$25,000:

Figure 18. Local and Nonlocal Award Totals, Equipment Work, Lakeview District, 1990-2002

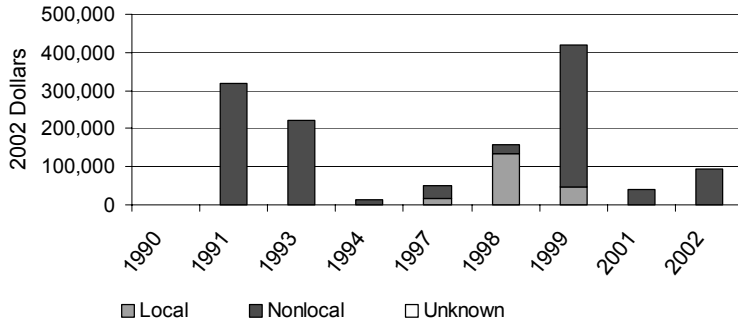


Figure 19. Local and Nonlocal Award Totals, Labor-intensive, Lakeview District, 1990-2002

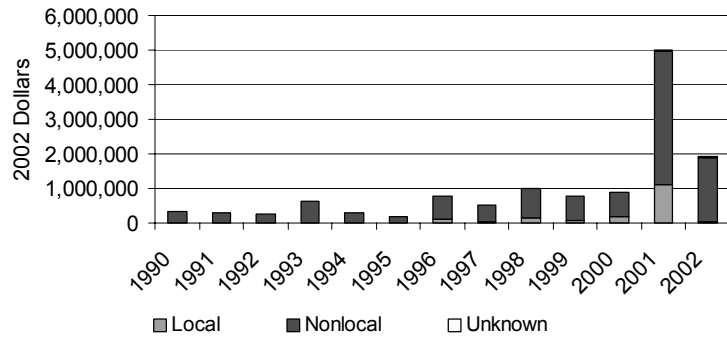
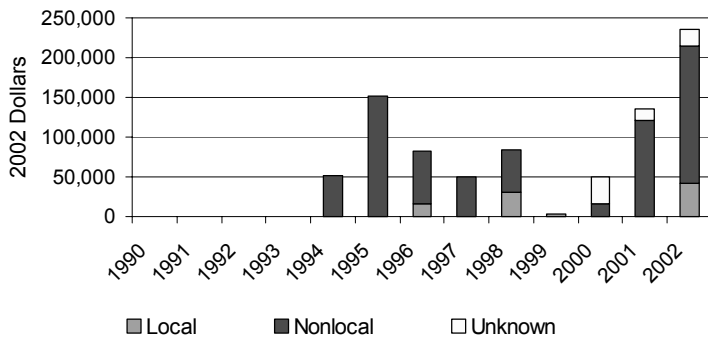


Figure 20. Local and Nonlocal Award Totals, Technical Work, Lakeview District, 1990-2002



Coos Bay District contracts under \$25,000 and over \$2,500:

Figure 21. Equipment Contract Awards Under \$25,000, Coos Bay District BLM, 2000 - 2002

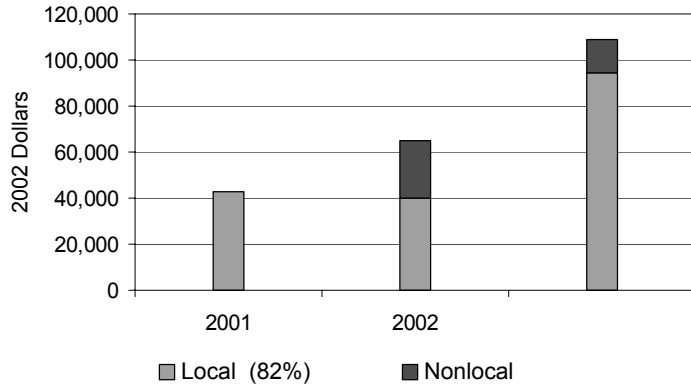


Figure 22. Labor-intensive Awards Under \$25,000, Coos Bay District BLM, 2000 - 2002

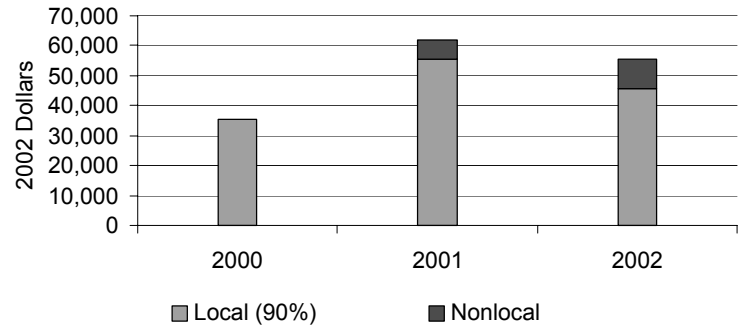
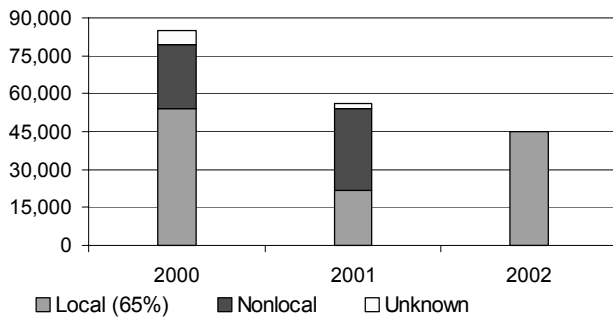


Figure 23. Technical Contract Awards Under \$25,000, Coos Bay District BLM, 2000 - 2002



Eugene District contracts under \$25,000 and over \$2,500:

Figure 24. Equipment Contract Awards Under \$25,000, Eugene District BLM, 1990 - 2002

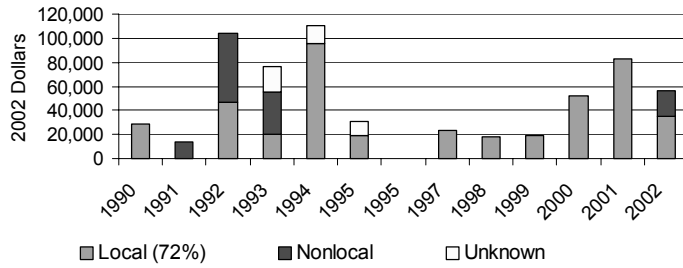


Figure 25. Labor-intensive Contract Awards Under \$25,000, Eugene District BLM, 1990 - 2002

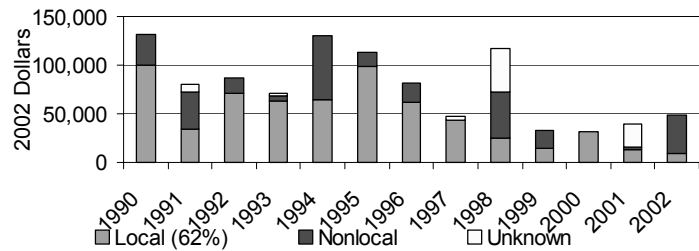
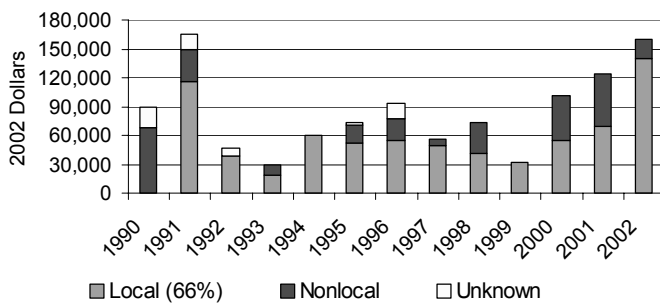


Figure 26. Technical Contract Awards Under \$25,000, Eugene BLM, 1990 - 2002



Lakeview District contracts under \$25,000 and over \$2,500:

Figure 27. Equipment Contract Awards Under \$25,000, Lakeview BLM, 1990 - 2002

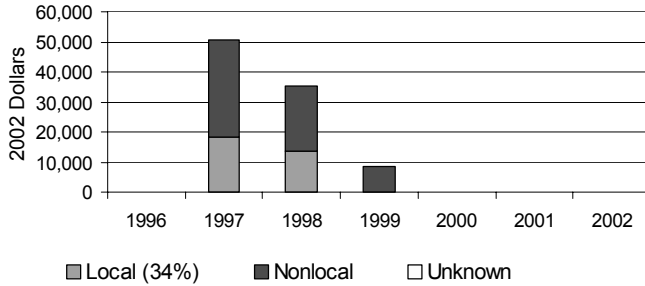


Figure 28. Labor Contract Awards Under \$25,000, Lakeview BLM, 1990 - 2002

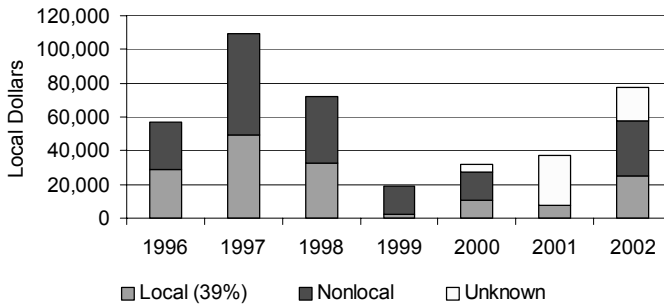
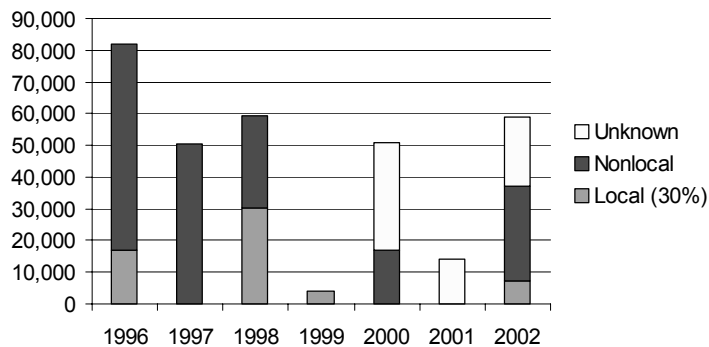


Figure 29. Technical Contract Awards Under \$25,000, Lakeview BLM, 1990 - 2002



Appendix E

Where Do Coos, Curry and Douglas County Contractors Work?

Heavy Equipment Work

Work Location - County		Total (2002 \$)	Coos	Curry	Douglas
DOUGLAS	OR	8,143,364	1,391,461	6,623	6,745,280
COOS	OR	3,887,011	2,042,266		1,844,744
CURRY	OR	1,071,111	143,710	631,858	295,543
Local work total:		13,101,485	3,577,437	638,481	8,885,567
% of local work:		100.00%	27.31%	4.87%	67.82%
LANE	OR	3,206,494	782,383	157,000	2,267,111
CLACKAMAS	OR	1,751,407	1,751,407		
LINN	OR	1,029,917	52,659		977,257
CROOK	OR	364,614	364,614		
DESCHUTES	OR	266,276	-1,000	267,276	
JACKSON	OR	230,334	-1,104		231,438
JOSEPHINE	OR	214,548			214,548
KLAMATH	OR	158,224	4,415		153,808
HARNEY	OR	80,440	80,440		
MARION	OR	56,000			56,000
LINCOLN	OR	40,386			40,386
TILLAMOOK	OR	26,395			26,395
LAKE	OR	14,349	14,349		
Nonlocal work total:		7,439,382	3,048,162	424,276	3,966,943
Oregon total:		20,540,867	6,625,599	1,062,757	12,852,511
(CA)	CA	2,033,838	306,453	693,154	1,034,231
(WA)	WA	312,322	0	0	312,322
Total:		22,887,027	6,932,052	1,755,912	14,199,063
% of Total:		100.00%	30.29%	7.67%	62.04%

Labor-intensive work

Work Location - County		Total (2002 \$)	Coos	Curry	Douglas
DOUGLAS	OR	7,979,466	342,000		7,637,466
COOS	OR	615,936	491,022	35,320	89,594
CURRY	OR	48,596		48,596	
Local work total:		8,643,998	833,022	83,916	7,727,060
% of local work:		100.00%	9.64%	0.97%	89.39%
KLAMATH	OR	784,604			784,604
JACKSON	OR	264,515	4,180		260,335
LANE	OR	184,089	3,240		180,849
LAKE	OR	184,065	50,000		134,065
GRANT	OR	113,809			113,809
CROOK	OR	107,449			107,449
JOSEPHINE	OR	79,619			79,619
DESCHUTES	OR	26,000			26,000
WALLOWA	OR	17,216			17,216
MALHEUR	OR	8,479			8,479
CLACKAMAS	OR	3,311			3,311
BAKER	OR	3,205			3,205
TILLAMOOK	OR	2,000			2,000
Nonlocal work total:		1,778,361	57,419	0	1,720,941
Oregon total:		10,422,359	890,442	83,916	9,448,001
(CA)	CA	282,896	-343,486	227,408	398,973
(WA)	WA	103,077			103,077
Total:		10,808,331	546,956	311,325	9,950,051
% of Total:		100.00%	5.06%	2.88%	92.06%

Technical work

Work Location - County		Total (2002 \$)	Coos	Curry	Douglas
DOUGLAS	OR	421,175			421,175
COOS	OR	344,377	277,363	23,817	43,197
Local work total:		765,552	277,363	23,817	464,372
% of local work:		100.00%	36.23%	3.11%	60.66%
LANE	OR	487,202	30,238		456,964
JACKSON	OR	140,868			140,868
JOSEPHINE	OR	114,187		90,813	23,374
DESCHUTES	OR	88,000			88,000
CLACKAMAS	OR	45,000			45,000
MARION	OR	3,264			3,264
BENTON	OR	-16,556			-16,556
Nonlocal work total:		861,964	30,238	90,813	740,913
Oregon total:		1,627,516	307,601	114,630	1,205,285
(CA)	CA	30,238		30,238	
(WA)	WA	15,357	15,357	0	0
Total:		1,673,111	322,958	144,868	1,205,285
% of Total:		100.00%	19.30%	8.66%	72.04%
Total, All Wk Types:		35,368,469	7,801,966	2,212,104	25,354,399
% of all Work:		100.00%	22.06%	6.25%	71.69%

Appendix F

Estimating Future Contracting Needs in Coos Bay District Draft meeting notes (11/13/03)

***Strategic Utilization of Businesses and
Workforce Capacity for Natural Resource Management***
What lies ahead for contracted natural resource management work?
Coos Bay District BLM, November 13, 2003
Draft Meeting Summary
Ecosystem Workforce Program; 12/03

The Coos Bay BLM District managers working with the Ecosystem Workforce Program are eager to assess past patterns in utilization of business capacity, and to improve the alignment of resource management needs with local capacity where appropriate. One step will be to conduct contractor workshops to increase local businesses' familiarity with electronic commerce and the district's procurement needs. Before doing so district partners wanted to take an overall look at likely shifts in contracted resource management in the near future. On November 13, 2003 District resource managers and procurement specialists met to share information on likely changes in procurement activity over the next three to five years. The meeting included line officers and specialists in silviculture, fire, wildlife, botany, engineering, recreation and procurement. Comments and suggestions contributed in this meeting are summarized below. They are the best estimates of the managers present, taking into account national policy, BLM national and state office guidance, The Northwest Forest Plan, the district's 1995 – 2008 Resource Management Plan, other records of decision, recent court decisions, trends in federal appropriations, and the specific needs of the landscape managed by the district. These are not commitments or prescriptions for a specific program of work. But, as best-estimates, they can be very useful to district and external partners in aligning resources for common benefit.

1. What's Coming in Procurement Activity? (3 to 5 year horizon)

Internal changes in BLM:

- The internal workforce is shrinking.
- The current downsizing of BLM staff may reduce the number of technical and field-going employees, which would result in more of this work being done through procurement (competitive contracts and assistance agreements), as budgets allow. Remaining staff would have increased workloads in the areas of NEPA, planning, and contract administration.
- If budget cuts are severe, procurement of additional services, including completion of project planning documents and designs, may also occur.
- Timber management activity will increase. This will be due in part to increased complexity associated with the layout and administration of thinning contracts in Late Successional Reserves.
- Resource professional and managers are already at the point where they have begun to be "disconnected" from resources in the field. This is due in part to workload related time constraints. It is also due to the fact that there are few resource professionals occupying the lower, field-going grade levels. This has led to resource professionals and managers that have less familiarity with the landscape they are charged with managing. In turn, this has complicated data analysis and management decision-making. Procurement of data collection

and management, via contract or assistance agreement, might be a way to help improve the availability of data for resource professionals and management.

- Statewide A-76 planning indicates increased competitive sourcing, using outside capacity for roads and recreation work; some law enforcement work is a possibility. This work may be procured by the state office through multi-district contracts.
- Information Resource Management will be managed from the State Office and some work may be procured.
- In order to meet BLM management direction to reduce permanent staff, term, temporary, and permanent part time employees will likely be used more in the future. This will be done in order to provide flexibility in the face of uncertain future funding levels.

Likely changes in contracted work:

- Contracted monitoring work is likely to increase, including vegetation and other surveys as well as traversing. This work could be procured locally (contracts under \$25,000).
- With the increased focus on timber management there is likely to be an increase in contracted traversing and tree marking services, as well as road and other projects that may be folded into timber sales.
- Silviculture and heavy equipment contracts are likely to decrease among contracts over \$25,000, but possibly increase in the under \$25,000 category, due to changes in land management activities and funding availability.
- Some work will shift from assistance agreements to competitive contracts, in order to comply with procurement rules.
- There is likely to be an increase in engineering and design services contracts; this year culvert inventory work that used to be in-house is being procured.
- Fish passage design-and-build work will become part of timber sales contracts along with road design-and-build work.
- Contracted murrelet surveys will continue.
- All Architecture and Engineering (A&E) contracts are processed by the state office, even contracts under \$25,000, but a southwest Oregon zone A&E company list is maintained.
- Contracted culvert work will decrease since much of the needed culvert replacement and upgrade has been accomplished; funding for this work will decrease over the next 1 to 3 years. We are likely to switch from culvert replacement to surface paving and other strategies to reduce sedimentation.
- Routine recreation maintenance may in some cases be folded into concession contracts.

Needs identified:

- It would help to have a simple information sheet for contractors to explain the BLM's procurement process.
- With the changes likely in contracted work (and the change to electronic contracting processes) it might be useful to have an external partnership develop a "gateway" resource for

contractors to help align existing capacity with emerging agency needs. The Business Development Center, GCAP, and CCD might be good partners to develop this. A co-op agreement could be set up either for information and referral only, or possibly to include managing procurement of a specific set of projects.

2. Follow-up tasks

- Develop a half sheet information guide for contractors showing where to get help with electronic commerce and other aspects of doing business with federal agencies.
- Explore opportunities to develop a collaborative “gateway” to accelerate alignment of business capacity with changing agency needs. (Discuss with Coos Bay /North Bend BizCenter, GCAP, CCD)

3. Summary for External Partners

Likely/potential increased procurement activity in the following work:

- Survey and monitoring work
- Traversing and other project preparation and engineering work
- Silviculture work
- Road and recreation projects through multi-district contracts
- Engineering & project design services
- Fish passage design and build, as part of TS contracts

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