



Stewardship Contracting

Overview

A stewardship contract:

- 1) Exchanges goods for services
- 2) Has no limit to portability of funds
- 3) Awarded on best value with technical approach
- 4) Must be developed out of a collaborative process
- 5) Can be up to 10 years in length, some instruments 20 Years
- 6) 100% of revenue can be utilized
- 7) Very flexible with mandatory and optional work

3 Types of Stewardship Contracts

- **Integrated Resource Timber Contract (IRTC)**
Value of timber exceeds value of service work.
*Equalizer Stewardship is this type.
- **Integrated Resource Service Contract (IRSC)**
Value of service work exceeds value of timber.
- **Agreements** – Negotiated with a Partner and can include timber removal and service work.

All stewardship projects have a goal of restoration and must meet one or more of the following:

- 1. Road & trail maintenance or obliteration to improve water quality**
- 2. Soil productivity, habitat or fishery or other resource values**
- 3. Setting prescribed fires to improve the composting, structure, condition and health of the stands or to improve wildlife habitat**
- 4. Remove vegetation or other activities to promote health forest stands, reduce fire hazard or other land management objectives**
- 5. Watershed restoration and maintenance**
- 6. Restoration & maintenance of wildlife & fish habitat**
- 7. Control of noxious and exotic weeds and reestablishing native plant species**

Examples of Stewardship Work

- Logging operations
- Road work
- Trail work
- Wildlife habitat work
- Herbicide application
- Timber stand improvement

Stewardship IRTC, Best Value Award

- While the bid price for the timber and service work are required, additional detail on how the work will be performed will also be provided.
- Instead of a contract, the bidder will describe how the work will be completed.
- The bidder describes the technical approach which includes methods, timing and equipment.
- Technical Approach becomes a binding part of contract.
- Method must still meet some legal requirements, which will be spelled out.



Two Types of Best Value Awarding

TRADE-OFF AND LOWEST-PRICE TECHNICALLY ACCEPTABLE (LPTA)

- Trade-Off is used when it is in the best interest of the Government to accept other than the best price.
- Under LPTA all bids that are technically acceptable are included and award is to the best price.



Best Value Awarding

Bid preparation will require more time over what is required for a normal timber sale bid.

- **Development of technical approach**
- **Estimate of service work**
- **Identification of local contractors to do some or all of service work**
- **Provide information on the key people who will oversee the contract**



BEST VALUE

**Allows the Government to award to a bidder who may not be lowest bid, but the extra cost is warranted to get a higher quality project.
(Under the trade-off method)**



Required Non-Price Bid Information

- **Plan of operations – *Overall plan for all work***
- **Quality Control Plan – *Inspection to ensure compliance***
- **Contract Management – *Supervision of sub-contractors***
- **Equipment to be used – *Make, model, horsepower, etc.***
- **Production Capacities- *Both timber removal and service work***
- **Other sub-factors as needed by project**



Required Non-Price Bid Information

Capabilities and past Performance:

- **Resume of Key personnel – *Prime and Sub-Contractors***
- **Subcontractors that will be used – *Name and location***
- **Past contracts with similar work – *Normally last 3 Years***
- **Other sub-factors as needed by project**

- **Note – Forest Service can use any source to review past performance.**



Required Non-Price Bid Information

Use of Local workforce

- Where fuel, equipment rental, and supplies used on project will be purchased. *Ranked on how local sources are.*
- The location that sub-contractors will come from. *Normally ranked on proximity to project area.*
- The location of the prime contractor *Normally ranked on proximity to project area.*



Bid Opening Process

- **Bids are not opened publicly**
- **Unsuccessful bidder bid information is private**
- **Allows for Forest Service to seek clarification about bid and could even result in negotiating on some parts of the bid after bid opening**
- **Can take several days to reach award**



Bid Opening Process

Each bidder can request and be given a post award briefing which would normally include the following:

- 1) The evaluation of significant elements in the proposal in terms of weaknesses or deficiencies in their proposal
- 2) Overall cost and technical rating
- 3) How they ranked to other offerors
- 4) Summary of rationale for award
- 5) Response to any questions



How Non-Price Information is used

- A team that understands the project will review each bid looking only at the non-price information.
- Each team member will rank each sub-item as either Superior, Acceptable, Neutral, Marginal, or Unacceptable.
- A Neutral ranking is given for an item with no information or no expectance.
- The team will then discuss individual rankings and come up with a team ranking.
- The team provides a recommendation to the Contracting Officer (CO).
- CO considers recommendation and makes a decision on award.
- CO is not bound by team's evaluation.



Mandatory and Optional Work Items

- **Must provide a bid for mandatory as well as optional work items.**
- **Based on bid for timber and mandatory work items, the CO will determine if there is enough value to include some of the optional work items.**
- **It is the CO's sole decision to include optional work at bid rate.**
- **Optional work items are normally listed in priority order.**



CASH FLOW

- **No bid guarantee and no downpayment are required.**
- **When service work is completed stewardship credits are earned and place in their account.**
- **Timber can be released using the Stewardship Credits.**
- **If no credits on account when timber is requested for release, then payment is required, but when credits are earned cash is refunded.**



CASH FLOW

- **Service work can allow for productive work for crews during non-operating periods or wet weather.**
- **The purchaser can bank stewardship credits that can then be used to release timber for harvest.**

Questions?

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Submitted questions will be posted on the Shawnee resource management webpage:

<https://www.fs.usda.gov/resources/shawnee/landmanagement/resourcemanagement>

Identities of those asking questions will be kept anonymous