

1950/2400; Review of Tongass Timber Program Administrative Costs



Behrends, Joanne -FS on behalf of FS-Mailroom R10

To FS-Mailroom R10 Tongass

Cc Cole, Forrest -FS; Streuli, Charles -FS; Alexander, Susan -FS; Carlson, Sam -FS; Sever, Cynthia -FS; Post, Ken -FS; Petaisto, Inga -FS; Vermillion, Robert -FS

You forwarded this message on 6/18/2019 11:36 AM.

FS_correspondence.doc .doc File	Final_Cost Estimates for Tongass Timber Program.docx .docx File
------------------------------------	--

The following Correspondence is archived in the Records database. Any enclosures will follow the letter in this message.

(See attached file: FS_correspondence.doc)
(See attached file: Final_Cost Estimates for Tongass Timber Program.docx)

To open this document in the Records database, click on this link ->

To access all documents in the National Records Database, click on this link ->



Forest
Service

Alaska Region

P.O. Box 21628
Juneau, AK 99802-1628

File Code: 1950/2400

Date: January 24, 2013

Route To:

Subject: Review of Tongass Timber Program Administrative Costs

To: Forest Supervisor, Tongass National Forest

In order to remain current with policy requirements, a review and update of timber program administrative costs for the Tongass has been completed by the Regional Office. Please begin using these updated cost calculations when completing financial efficiency analysis for individual project proposals. Questions regarding this direction can be sent to Dave Harris, Director of Forest Management, at dpharris@fs.fed.us, or by telephone at 907-586-7875.

/s/ Sam Carlson (for)
BETH G. PENDLETON
Regional Forester

Enclosure

cc: Forrest Cole
Charles Streuli
Susan Alexander
Sam Carlson
Cynthia Sever
Ken Post
Inga Petaisto



Estimating Costs of the Tongass Timber Program
Prepared by Robert Vermillion
December 2012

This paper summarizes an analysis of the administrative costs of the timber program on the Tongass National Forest. This estimate is intended for use during the NEPA process to analyze the economic efficiency of alternatives considered for each timber sale project.

Past estimates of Tongass timber sale program costs have tracked individual projects as they move through each stage of the multi-year project planning and implementation process, such as NEPA analysis, Sale Preparation, Contract Administration, and Engineering Support. In contrast, this analysis is based on a “snapshot” review of fiscal years (2010, 2011, and 2012), to obtain an average. A review of work plans developed for the NFTM budget line item was completed for each of the past three fiscal years. Although each project incurs cost during the entire multi-year planning process, a snap-shot of costs is representative of average costs for producing a thousand board feet (MBF) of timber. In any given year a number of timber sale projects are progressing through each stage of the planning and implementation process. These stages include NEPA, Sale Preparation, Sale Administration, and Engineering Support to the timber program (which can occur at any stage of the overall process and funded by CMRD budget line item).

Exclusions: Estimating timber sale program costs requires judgment regarding which activities are directly associated with producing timber sales, and which are not. This analysis excluded costs of: SO program management, operations support, gate 1 activities (pre-NEPA), facilities maintenance, training, travel not related to producing timber outputs, and generic supply costs.

Results: FY2010, 2011 and 2012 summarized, and averaged as follows:

NEPA: This includes base level funding for the Tongass Planning Team(s), NEPA contract costs, field work associated with NEPA analysis (gate 2). Total calculated/averaged cost: **\$47.97/MBF**.

Sale Preparation: This includes base level funding for silviculture, specialist field work, contract layout, cruising, marking paint, force account layout/cruising, appraisal, contract preparation and advertisement. Total calculated unit cost: **\$20.78/MBF**.

Sale Administration: This includes base level funding for contract administration, accounting support, direct contract administration costs, and travel costs associated with administration of timber sale contracts. Total calculated unit cost: **\$12.18/MBF**.

Engineering Support: This includes road design for construction/reconstruction, contract administration of road construction. Costs were provided by the Tongass Engineering Program Budget Analyst. Total calculated unit cost: **\$22.67/MBF**.

Total calculated costs for the combined categories represented: **\$103.60/MBF**.