

**Forest Service Handbook
National Headquarters - Washington Office
Washington, DC**

Forest Service Handbook 2409.19 – Renewable Resources Handbook

Chapter 60 - Stewardship Contracts and Agreements

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This chapter provides direction for implementing the stewardship end-result contracting authority, including stewardship agreements (collectively referred to as stewardship contracting authority). The direction and procedures in this chapter address the appropriate use of the stewardship authority for project development, implementation, and monitoring.

60.1 - Authority

1. Public Law 108-7, section 323 (Pub. L. 108-7, sec. 323) (Title 16, United States Code, 2104 Note (16 U.S.C. 2104 Note), as revised February 28, 2003, to reflect sec. 323 of J.J. Res. 2 as enrolled), the Consolidated Appropriations Resolution, 2003, amending Pub. L. 105-277, sec. 347, Omnibus Consolidated Appropriations, 1999 (Stewardship End Result Contracting Projects or Stewardship Contracting Act).
 - a. The Stewardship Contracting Act granted the Forest Service and the Bureau of Land Management (BLM) authority, through September 30, 2013, to enter into stewardship contracting projects for up to 10 years with private persons or public or private entities, by contract or by agreement, to perform services to achieve land management objectives for the National Forests or public lands that meet local and rural community needs.
2. 16 U.S.C. 2104 note (c)(4) exempts stewardship contracts and agreements from sections 14(d) and (g) of the National Forest Management Act (NFMA) of 1976 (16 U.S.C. 472a). These exemptions mean the Forest Service may sell products with an appraised value in excess of \$10,000 without the advertisement requirements of NFMA, and that the Forest Service may authorize persons other than those employed by the Secretary of Agriculture to designate the trees to leave or to be cut and removed, to meet restoration objectives.
3. Title VI of the Healthy Forests Restoration Act of 2003 (HFRA), Section 604 (16 U.S.C. 6591c) of Pub. L. 108-148.
 - a. Pub. L. 113-79, sec. 8205 of the Agricultural Act of 2014, grants the Forest Service and the BLM authority to enter into stewardship contracting projects for up to 10 years with private persons or public or private entities, by contract or by agreement, to perform services to achieve land management objectives for National Forests or public lands that meet local and rural community needs. Section 8205 supersedes the authority granted to the Forest Service in Pub. L. 105-277, sec. 347.
 - b. Pub. L. 115-334, sec. 8205 of the Agricultural Act of 2014 (2014 Farm Bill) establishes permanent authority to conduct stewardship end-result contracting projects.
 - c. Section 204 of the Consolidated Appropriations Act, 2018, enacted January 3, 2018, authorizes the Chief of the Forest Service and the Director of BLM to obligate funds in stages that are economically or programmatically viable to cover any potential cancellation or termination costs for a stewardship agreement or contract (Cancellation Ceilings).

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- d. Section 207 of the Consolidated Appropriations Act, 2018, enacted January 3, 2018, authorizes the Secretary of Agriculture and the Secretary of the Interior to award contracts or agreements under section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511), for terms not to exceed 20 years on areas where the majority of Federal lands are in Fire Regime Groups I, II, or III. It also requires a procurement preference under this part for a Contractor whose proposal would promote an innovative use of forest products (Sec 207).
4. Pub. L. 105-277, sec. 323 as amended by Pub. L. 109-54, sec. 434, and permanently authorized by Pub. L. 111-11, sec. 3001, enacted October 21, 1998. Authorizes the Forest Service to use Forest Service appropriations to enter into cooperative agreements to benefit resources within watersheds affecting National Forest System (NFS) lands. Agreements may be with willing Federal, State, Tribal, and local governments; private and nonprofit entities; and landowners to conduct activities on public or private lands for the following purposes:
 - a. Protection, restoration, and enhancement of fish and wildlife habitat and other resources;
 - b. Reduction of risk for natural disaster where public safety is threatened; or
 - c. A combination of both.
5. Pub. L. 108-278, July 22, 2004, Tribal Forest Protection Act (TFPA) of 2004. Authorizes the Secretaries of the Interior and Agriculture to enter into a contract or agreement with Indian Tribes meeting project selection criteria established in the Act to carry out projects on NFS lands to protect Indian forest land, rangeland, or Tribal communities when the NFS lands are bordering or adjacent.
6. 48 CFR Chapter 1, Federal Acquisition Regulations (FAR). The FAR System was established for the codification and publication of uniform policies and procedures for acquisition by all executive agencies. The FAR System consists of the FAR, which is the primary document, and agency acquisition regulations that implement or supplement the FAR. The FAR is issued as 48 CFR, chapter 1. Subsequent chapters are reserved for agency acquisition regulations that implement or supplement the FAR; with 48 CFR, chapter 4, the Department of Agriculture issues policies and procedures that supplement the FAR.
7. 36 CFR part 223, subpart I—Stewardship End Result Contracting Projects. Source: 81 Federal Register 3721, January 22, 2016. Contains regulations for implementing stewardship end result contracting projects.
8. Pub. L. 115-334, sec. 8703, the Agriculture Improvement Act of 2018, enacted December 20, 2018. Grants the Secretaries of Agriculture and Interior authority to enter into “638” self-determination demonstration project agreements with Indian Tribes, to take over the management and functions of the Federal Government under the TFPA (Pub. L. 108-

278), provided that the secretaries make any decisions required to be made under the National Environmental Policy Act (NEPA) of 1970, as amended (16 U.S.C. 4321) and the TFPA, and provided further, that the “638” contract be subject to negotiation under 25 U.S.C. 5363(b)(2). (The “638” self-determination agreements derive from the Indian Self-Determination and Education Assistance Act (Pub. L. 93-638) as amended by Pub. L. 103-413.)

9. Pub. L. 115-325, sec. 202, the Indian Tribal Energy Development and Self-Determination Act Amendments of 2017, enacted December 18, 2018, for fiscal years 2017-2021. Amends the TFPA (Pub. L. 108-278) and directs the Secretaries of Agriculture and Interior, for lands under their respective jurisdiction, to enter into contracts or agreements with Tribes to carry out demonstration projects to promote biomass energy production (including biofuel, heat, and electricity generation), on Indian forest land and in nearby communities, by providing them with reliable supplies of woody biomass from Federal lands. Section 202 requires:
 - a. Four new demonstration projects for each fiscal year, in addition to one new project per fiscal year in Alaska;
 - b. Allowance of terms up to 20 years with up to 10-year renewal;
 - c. Definition of Tribe per 25 U.S.C. 5304(e); and
 - d. Incorporation of Tribal land management plans upon request of the Tribe and to the maximum extent practicable.
10. Wyden Amendment, Section 323(A) of the Department of Interior and Related Agencies Appropriations Act, 1999, as included in Pub. L. 105-277, div. A, sec. 101(e) as amended by Pub. L. 107-63, sec. 330. Authorizes the Forest Service to enter into cooperative agreements with willing Federal, Tribal, State and local governments; private and nonprofit entities; and landowners for the protection, restoration, and enhancement of fish and wildlife habitat and other resources on public or private land that benefit those resources within the watershed.

60.2 - Objectives

The general purpose of stewardship contracting is to achieve land management objectives for NFS lands while meeting local and rural community needs. Stewardship contracting is a tool and should be used when it is the most effective tool for accomplishing land management objectives. Appropriate use of stewardship contracts and agreements include those listed in section 61.2, exhibit 02. Appropriate uses for stewardship retained receipts include those described in section 66.2.

60.3 - Policy

1. Stewardship contracts and agreements are used to accomplish resource management objectives with a focus on restoration.

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2. Use of stewardship contracting authority to implement projects must be approved by the Regional Forester. The Regional Forester may re-delegate the authority to approve stewardship projects to a Forest Supervisor, consistent with the timber disposal authority found in Forest Service Manual (FSM) 2404.24.
3. Stewardship projects must be designed to meet the objectives of section 60.2 and achieve land management objectives identified in the applicable land management plan. See section 61.2, exhibit 02 for examples of appropriate stewardship contracting activities.
4. Except where specifically exempted by law (sec. 60.1), such as under authority of the Wyden Amendment, stewardship contracts and agreements must be carried out only on NFS lands, and must also be administered in accordance with the laws and regulations applicable to NFS lands (FSM 2401).
5. Collaboration must be a part of stewardship project planning and continue throughout the life of the project.
6. The proper use and management of stewardship contracting receipts must be assessed as a normal part of Regional and Forest Renewable Resource programs and activity reviews.
7. Excess offset value, otherwise known as retained receipts, must first be used to satisfy any outstanding liabilities for cancelled agreements or contracts. If there are no such outstanding liabilities, the excess may be applied to other authorized stewardship projects to meet the objectives of section 60.2.
8. Products that may be removed under stewardship contracting authority include timber and other forest products, such as, but not limited to, biomass, seed, forage, fungi, and Christmas trees. Only one unit of measure is allowed per contract. See Forest Service Handbook (FSH) 2409.18, chapter 80.
9. Each stewardship contract or agreement must be signed by the appropriate delegated Contracting Officer, Grants and Agreements Specialist, or Line Officer.
10. Best value, as described in the FAR, must be the basis for evaluating technical proposals for awarding stewardship contracts and agreements.
11. 20-year authority: The Secretary of Agriculture and the Secretary of the Interior may award contracts or agreements under section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511), for terms not to exceed 20 years on areas where the majority of Federal lands are in Fire Regime Groups I, II, or III. The majority of acres is defined as over 50% of combined acres in groups I, II, or III. Such long-term contracts are only appropriate for FAR-based Integrated Resource Service Contracts (IRSC), specifically IRSC contracts and agreements that allow for an indefinite quantity or delivery of services. Currently there is no sale of property Integrated Resource Timber Contract (IRTC) that will allow for contract terms where the product volume or location is unspecified at the time of award.

12. Pursuant to the TFPA, Forest Service officials provide advice and information to Indian Tribes in advance of the Tribes submitting proposals for stewardship contracts or agreements. See section 61.7 regarding the submission and evaluation of project proposals under the TFPA.
13. Adding funds to an IRTC is prohibited except for improving haul roads to a higher standard than necessary for the removal of timber or as allowed in situations specified in the contract.
14. Pursuant to 36 CFR 223.304(a)(8), downpayments are inapplicable in an IRTC.

60.4 - Responsibility

60.41 - Washington Office

60.41a - Chief

Responsibilities of the Chief include:

1. Provide direction to the Deputy Chiefs of the National Forest System, Business Operations, and State and Private Forestry, as well as the Chief Financial Officer regarding their responsibilities for implementing and monitoring projects using the stewardship authorities.
2. Delegate authority to Regional Foresters to approve the use of stewardship contracts and agreements as a tool for implementing projects to accomplish land management objectives.
3. Delegate stewardship contracting and stewardship agreement authority to qualified individuals, consistent with the authority and responsibility of Regional Foresters for the sale and disposal of timber and forest products as shown in FSM 2404.24, as well as FSM 2404.28, exhibit 01.

60.41b – Director, Forest Management

In addition to the responsibilities listed in FSM 2404.14, it is the responsibility of the Washington Office, Director, Forest Management to:

1. Advise the Chief on policy and oversee implementation of stewardship contracts and agreements.
2. Jointly coordinate and manage policies, direction, oversight and implementation of stewardship authorities as needed with other Washington Office Directors, including:
 - a. Office of Grants and Agreements.
 - b. Procurement and Property Services.

- c. Ecosystem Management Coordination.
 - d. Engineering, Technology, & Geospatial Services.
 - e. Office of Tribal Relations.
 - f. Cooperative Forestry.
 - g. Fire and Aviation Management.
 - h. Recreation, Heritage and Volunteer Resources.
 - i. National Partnership Office.
 - j. Law Enforcement and Investigations.
 - k. Watershed, Fish, Wildlife, Air, and Rare Plants.
 - l. Other directors, as needed.
3. Coordinate with the Chief Financial Officer to:
- a. Provide technical advice on use and accounting of funds used for stewardship contracts and agreements to the Deputy Chiefs for Business Operations and the NFS, Regional Foresters, Forest Supervisors, District Rangers, and Forest Products Resource Specialists.
 - b. Provide methodology to track the values of goods and services associated with stewardship contracts and agreements.
 - c. Obtain concurrence on financial data to be included in the annual report to Congress (sec. 67.4).
4. Coordinate with the Washington Office, Director, Budget and Finance to:
- a. Implement methodology to track the values of goods and services associated with stewardship contracts and agreements.
 - b. Conduct reviews of the fiscal and accounting operations for stewardship contracts and agreements.
 - c. Ensure financial data in the annual report to Congress are reconciled to the data in financial statements.
 - d. Review annually, in cooperation with the Forest Management staff and Office of Procurement and Property Services staff, Regional stewardship contracting retained receipt balances to identify funds available for paying outstanding liabilities for cancelled contracts and agreements or for other authorized stewardship projects.

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5. Coordinate with the Washington Office, Director, Strategic Planning, Budget and Accountability to obtain apportionment authority from the Office of Management and Budget (OMB) for obligating stewardship contracting retained receipts (fund code SSCC).
6. Coordinate with the Washington Office, Director, Cooperative Forestry to:
 - a. Develop and implement programmatic monitoring of the role of local communities and other external stakeholders in development of stewardship contracts and agreements (sec. 67.1).
 - b. Advise the Chief on policy for interacting with and providing technical assistance to rural communities associated with community-based forestry opportunities, including planning and implementation of stewardship contracts and agreements.
 - c. Provide technical assistance and advice related to stewardship contracting and agreements to the Deputy Chief for the NFS, the Deputy Chief for State and Private Forestry, and Regional Foresters.
 - d. Provide programmatic direction and technical assistance for the implementation of a range of economic assistance programs in support of developing the capacity of communities to fully participate in the planning and implementation of stewardship contracts and agreements, including the development of civic and industrial infrastructure, as needed.
7. Review annually, in cooperation with the Office of Procurement and Property Services staff and Financial Management staff, Regional stewardship contracting retained receipt balances to identify funds available for paying outstanding liabilities for cancelled contracts and agreements or for other authorized stewardship projects.
8. Coordinate with the Washington Office, Director, Office of Grants and Agreements to provide direction on the use of stewardship agreements.
9. Coordinate with the Washington Office, Director, Office of Procurement and Property Services to provide direction on the use of sale of property and procurement of services-only stewardship contracts.
10. Ensure preference program use is considered in cooperation with the Small Business Administration (SBA).
11. Jointly with other Washington Office Directors produce the annual report to Congress on stewardship contracting as required by 16 U.S.C. 6591c.
12. Submit annually to the Washington Office, Director, Office of Tribal Relations, a table containing Tribal projects awarded through stewardship contracting or other instrument pursuant to the TFPA, which must include acres, contract or agreement number, type,

location of the project, and such other information as the Washington Office, Director, Office of Tribal Relations determines necessary.

60.42 - Field Units

60.42a - Regional Foresters

Except as noted, the responsibilities below cannot be re-delegated to a lower level. All delegations must be in writing.

In addition to responsibilities listed in FSM 2404.15, it is the responsibility of each Regional Forester to:

1. Approve the use of stewardship contracts and agreements as a tool to implement stewardship contracting projects (sec. 61). The Regional Forester may delegate authority to approve new stewardship contracting projects to the Forest Supervisor.
2. Delegate authority to qualified individuals at the Regional or Forest level, both line and staff positions, to dispose of timber on stewardship contracts and stewardship agreements using the IRSC, IRTC, or stewardship agreement formats, as described in FSM 2404.24. Such delegation must be made to a named individual in official correspondence for a specific contract or set of contracts. The delegation may not be made to a position or issued in an FSM or FSH supplement.
3. Review and approve expenditures of retained receipts. The Regional Forester may delegate the authority to Forest Supervisors.
4. Approve the use of less than full and open competition on stewardship contracts, in addition to approvals required by the Office of Procurement and Property Services.
5. Review Forest reports of retained receipt (SSCC) balances and submit a Regional report to the Washington Office each year in conjunction with Annual Trust Fund Analysis Reporting requirements (sec. 66.21).
6. Advise Forest Supervisors, in consultation with the Washington Office, Mission Area Senior Contracting Official (MASCO), on the appropriate use of stewardship contracts and agreements and the determination and assignment of contracting officers or Grants and Agreements specialists for specific projects.
7. Delegate management oversight responsibility for stewardship contracts and agreements to a Regional staff director.
8. Establish supplemental direction for Forest Supervisors' annual reviews of stewardship contracts and agreements, where appropriate, to determine if reported financial information is reasonable and consistent with actual workloads and costs, and to follow up on any identified discrepancies.

9. Ensure Forest Supervisors review all stewardship contracts that were offered and did not receive bids to determine the reason behind the lack of bids and confirm that the problems be addressed in a timely manner.
10. Ensure Forests provide adequate and timely input into the monitoring and evaluation process for stewardship contracts and agreements (sec. 67), including updating accomplishments for each stewardship project.
11. Provide technical expertise to Forest Supervisors on the appropriate use of stewardship contracts and agreements (sec. 61.2).
12. Approve use of retained receipts for multi-party project-level process monitoring.
13. Approve or deny any Tribal request under the TFPA through current level of delegated authority appropriate to the type of contract or agreement authority used.

60.42b - Forest Supervisors

In addition to responsibilities listed in FSM 2404.16, it is the responsibility of the Forest Supervisor to:

1. Identify Forest priorities for stewardship projects. Approve the use of stewardship contracts and agreements as a tool to implement stewardship contracting projects (sec. 61), if delegated that authority by the Regional Forester.
2. Ensure all stewardship projects are consistent with land management plan objectives and are developed with the appropriate level of collaboration for the scale and complexity of the projects.
3. Document reasons for the use of less than full and open competition for stewardship contracts and agreements when requesting approval for new stewardship projects from the Regional Forester or approving stewardship proposals when delegated that authority.
4. Review with the responsible District Ranger all stewardship contracts that were offered and did not receive bids. Review and repackage no-bid stewardship contracts, when appropriate, in response to offeror feedback to accomplish restoration objectives.
5. Coordinate with the field Law Enforcement and Investigations staff on stewardship projects involving removal of products.
6. Approve monitoring activities and determine the appropriate levels of use of retained receipts and appropriated funds in support of project-level multi-party process monitoring.
7. Prepare proposal response and recommendation for a Regional Forester decision regarding Tribal requests made under the TFPA. The recommendation of what borders on or is adjacent to Indian forest land, rangelands, or a Tribal community must be made

by the District or Forest Line Officer after consultation with the Indian Tribe and consideration of the threat potential and geographic location.

8. Sign Timber Information Manager (TIM) certifications for Gates 1-4 on stewardship contracts and agreements. The approval of the certification forms cannot be re-delegated below the District Ranger.

60.42c - District Rangers

In addition to responsibilities listed in FSM 2404.17, it is the responsibility of the District Ranger to:

1. Develop stewardship contracting projects in accordance with land management plan objectives of 16 U.S.C. 6591c.
2. Provide leadership and assure collaboration at the level appropriate for the scale and complexity of stewardship projects (sec. 61.12).
3. Ensure early and continued involvement of the appropriate technical specialists in proposing, planning, executing, and monitoring stewardship contracts and agreements (secs. 61-67).
4. Propose revision of stewardship contracts and stewardship agreements as necessary.
5. Consider the analysis and advice of the project planning interdisciplinary team and the information generated during collaboration when recommending using stewardship contracts or agreements.
6. Ensure stewardship projects are consistent with the needs identified in NEPA documentation and the objectives of 16 U.S.C. 6591c (sec. 61.1).
7. Combine work items, when appropriate, into a stewardship contract or agreement to maximize use of equipment, supplies, and people to benefit a variety of resources.
8. Make a determination of the local community appropriate to a project, and work in collaboration with interested parties during project design and implementation.
9. Consult with the Forest Supervisor to resolve any questions regarding appropriate use of stewardship contracting retained receipts (sec. 66.2).
10. Prepare plans for use of retained receipts, as appropriate.
11. Prepare and approve Brush Disposal Plan (FSH 2409.18, ch. 50) as appropriate for IRTCs. Approval of such plans cannot be re-delegated.
12. Sign TIM certifications for Gates 1-4 for stewardship contracts and agreements. The approval of the certification forms cannot be re-delegated.

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13. Provide the Forest Supervisor with documentation that shows an annual review of stewardship contracts and agreements, including the separate tracking of the values of the goods being sold and the services received for each project.
14. Update the accomplishments each fiscal year for each stewardship project (sec. 67) in the appropriate databases of record.
15. Coordinate multi-party monitoring of stewardship contracting projects as appropriate (sec. 67).
16. Review all District stewardship contracts that were solicited or offered, and did not receive an acceptable offer, with the Forest Supervisor to determine the reason no acceptable offers were made and address any issues in a timely manner.
17. Receive and acknowledge Tribal requests made under the TFPA and make recommendations to the Forest Supervisor. A recommendation regarding what borders on or is adjacent to Indian forest land, rangelands, or a Tribal community must be made by the District or Forest Line Officer after consultation with the Indian Tribe and consideration of the threat potential and geographic location.
18. Ensure records of planned, accomplished, and completed stewardship activities are properly managed and assigned to national performance measures according to the business rules of relevant applications.

60.42d - Contracting Officers for Procurement of Services and Sale of Property Stewardship Contracts

It is the responsibility of the appropriate timber sale or procurement Contracting Officer to:

1. Sign TIM certification for Gate 5 for stewardship contracts and agreements. The approval of the certification forms cannot be re-delegated.
2. Dispose of National Forest timber and forest products as delegated in writing. See FSM 2404.26.

Refer to section 64.2 to clarify respective responsibilities of timber sale and procurement Contracting Officers for stewardship contracts.

60.5 - Definitions

Best Approach Determination. The evaluation method used by the Forest Service to approve stewardship agreement technical proposals. Best approach determination is required for all stewardship agreements and fulfills the best value requirement in the stewardship contracting legislation. See FSH 1509.11, chapter 70.

Best Value Basis. The expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirements of the acquisition. It is the process of selecting a contractor based on price and non-price criteria. Evaluation factors may include, but are not limited to, past performance, work quality, experience, technical approach for performing the work, and benefits to the local community. Best value selection is required for all stewardship contracts.

Collaboration. A structured process in which a collection of people with diverse interests share knowledge, ideas, and resources while working together in an inclusive and cooperative manner toward a common purpose (36 CFR 219.19.). Collaboration often includes diverse entities working together to solve shared problems, develop projects, and/or achieve outcomes using open, transparent, and inclusive approaches to decision-making.

Designation of Timber. A process for identifying which trees are to be cut or left to achieve land management objectives through a contract or agreement. See FSM 2440 for approved methods of designation.

Earned Stewardship Credit. See Stewardship Credits.

Excess Offset Value. Also known as Excess Timber Value. In accordance with 16 U.S.C. 6591c, this is the net value available to the Government when the value of goods exceeds the cost of services under a stewardship contract. Payments received as a result of excess offset value are considered residual receipts.

Excess Stewardship Credits. Earned stewardship credits remaining after all included timber has been cut and removed.

Indian Forest Land or Rangeland. In accordance with the TFPA, land that is (a) held in trust by, or with a restriction against alienation by, the United States for an Indian Tribe or a member of an Indian Tribe; and (b) is Indian forest land (as defined in section 304 of the National Indian Forest Resources Management Act (25 U.S.C. 3103)); or (1) has a cover of grasses, brush, or any similar vegetation; or (2) formerly had a forest cover or vegetative cover that is capable of restoration.

Indian Tribe. Any Indian Tribe, band, Nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians (Pub. L. 103-454, 25 U.S.C. 450b: 25 U.S.C. 5304(e)).

Integrated Resource Service Contract (IRSC). A stewardship contract combining the sale of property and procurement of services where the Forest Service makes a determination under 36 CFR 223.301(b)(1) that the value of timber or other forest products removed through the contract will be less than the total value of service work items received by the Forest Service. An IRSC may also be referred to as an Integrated Resource Contract, Stewardship Contract or Stewardship End Results Contract.

Integrated Resource Timber Contract (IRTC). A stewardship contract combining the sale of property and procurement of services where the Forest Service makes a determination under 36 CFR 223.301(b)(2) that the value of timber or other forest products removed exceeds the total cost of services received. An IRTC may also be referred to as an Integrated Resource Contract, Stewardship Contract or Stewardship End Results Contract.

Interdisciplinary Process. The process used to evaluate opportunities and impacts associated with a resource management proposal under NEPA. In this process, a group of specialists assemble as a cohesive team with frequent interaction to solve a problem or perform a task.

Local Community. An area determined by the responsible Line Officer. The definition of local community is directly related to the project and community involved.

Mandatory Stewardship Projects or Work Items. Service work that is required to be performed under the terms of a stewardship contract or agreement.

Multi-party Monitoring. A process for assessing the effectiveness of stewardship contracting in meeting the objectives of 16 U.S.C. 6591c that involves the Forest Service; cooperating Federal, State, and local agencies; Tribal governments; local communities; non-governmental organizations; and any interested groups or individuals.

Multiple Year Contract. A contract for procurement of supplies or services over several designated program years that requires establishment of a renewal option for each program year after the first year. The renewal option must be exercised to continue the contract for each designated program year after the initial year. An IRSC may be a multiple year contract.

Multi-year Contract. A contract for the procurement of supplies or services over several designated program years that does not require establishing and exercising an option for each program year after the first year. A multi-year contract may specify that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and may provide for a cancellation payment to be made to the Contractor if such funds are not available. For the purposes of stewardship contracting, a multi-year contract may be up to 20 years in total contract length when the majority of the project area is within Fire Regime Groups I, II, or III. Multi-year contracts should not be confused with multiple year contracts. An IRSC may be a multi-year contract.

National Forest System (NFS) Lands. All National Forest lands reserved or withdrawn from the public domain of the United States; all National Forest lands acquired through purchase, exchange, donation, or other means; the National Grasslands and utilization projects; and other lands or interest therein which are administered by the Forest Service or are designated for administration through the Forest Service as a part of the system (16 U.S.C. 1609).

Offeror. Entity providing an offer or bid to perform work on an integrated resource timber contract or integrated resource service contract in response to a solicitation (see FAR Subpart 2.1 Definitions).

Optional Stewardship Projects or Work Items. Service work identified as optional in the request for proposal and Contract or Agreement.

Payment Bond. In stewardship contracts and agreements with product removal, a form of security guaranteeing payment of advance deposits for stumpage and required deposits until paid by the Contractor. This form of payment guarantee is optional. Also, in an IRSC or service-only contract, a form of security assuring payment as required by law to all persons supplying labor or material in the performance of the work provided for in the contract (see FAR Section 28.001 Definitions).

Performance Bond. A bond securing performance and fulfillment of the Principal's obligations under a contract. See section 62, exhibit 01.

Public Lands. Those lands as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

Qualified Individual. Person who has been recognized by the Forest Service through accreditation or delegation to perform specialized duties related to the management of NFS lands by completing required training, having accumulated sufficient experience, and having demonstrated the ability to perform at an acceptable level.

Required Deposits. Cash deposits, also known as associated charges, required under a contract or agreement when the Forest Service will perform work such as slash disposal or road maintenance.

Residual Receipts. During the course of operations, the receipts generated by a stewardship contract or agreement when the value of removed goods exceeds non-monetary credits earned. These receipts are deposited to the stewardship suspense account (currently SDNGSC).

Retained Receipts (SSCC). The portion of residual receipts that exceed the value of all mandatory stewardship work when the contract is closed when deposited into a Forest's stewardship fund (fund code SSCC) account for use on other stewardship projects in accordance with sections 66.2 and 66.3.

Road. As defined in 36 CFR 212.1 (in effect on February 7, 2014).

Secretary. The Secretary of Agriculture.

Service Work. Activities identified in a stewardship contract or agreement that accomplish one or more of the seven land management goals of stewardship. Stewardship credits are earned when service work is accepted.

Stakeholder. A person, group, or organization with an interest in a project.

Stewardship Agreement. A type of cooperative agreement entered into under the authority and provisions of the Healthy Forests Restoration Act of 2003, as amended (16 U.S.C.

6591c), to achieve land management objectives for the National Forests that meet local and rural community needs.

Stewardship Credits. A stewardship credit is earned and established in the Forest Products Financial System (FPFS) when stewardship service work described in the contract has been performed and accepted.

Stewardship Projects. Activities authorized under 16 U.S.C. 6591c designed to achieve NFS land management objectives and local and rural community needs listed in section 61.2, exhibit 02.

Stewardship Proposal. A management proposal from a Forest submitted for approval to the Regional Forester, or Forest Supervisor if authority is delegated, to accomplish stewardship projects. Components of a stewardship proposal are found under section 61.

Task orders. Formal written direction to a Contractor on agreed base contract work items to be performed in a specified time frame on IRSC and service-only contracts. For TIM and FPFS purposes, task orders are treated as individual contracts.

Technical Proposal. A non-price work proposal submitted by an Offeror that responds to the non-price evaluation criteria for an integrated resource contract solicitation where award is based on best value to the Government. See section 63.

Timber Information Manager (TIM). A computer program maintained by the Natural Resource Manager (NRM) staff that provides a process-oriented, integrated application supporting the Timber Sale and Forest Products Permits business at the field level while capturing information that is needed for service-wide reporting needs.

Tribal Community. A community that is part of a federally recognized Tribe.

Warrant. A document clearly defining the limits of authority delegated to a procurement Contracting Officer. Warrant limitations are based on training, experience, and certifications required for the type and complexity of the program office request.

60.6 - References

Exhibit 01 cites Forest Service Manual and Handbooks, and related direction necessary to fully carry out stewardship contracting.

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List of Forest Service Manual and Handbooks Containing Related Direction to Follow in Stewardship Contracting

Topic	FSM and FSH Reference
Acquisition Management	<ul style="list-style-type: none"> • FAR - Federal Acquisition Regulations • USDA Contracting Desk Book
Agreements	<ul style="list-style-type: none"> • FSM 1580 - Grants, Cooperative Agreements, and Other Agreements • FSH 1509.11 - Grants, Cooperative Agreements, and Other Agreements Handbook
Appropriation Use and Treasury Symbol for Retained Receipts	<ul style="list-style-type: none"> • FSH 6509.11g - Service-Wide Appropriation Use Handbook
Contract Administration (Integrated Resource Timber Contracts)	<ul style="list-style-type: none"> • FSM 2450 - Timber Sale Contract Administration • FSH 2409.15 - Timber Sale Administration Handbook
Environmental Policy and Procedures	<ul style="list-style-type: none"> • FSM 1950 - Environmental Policy and Procedures • FSH 1909.15 - National Environmental Policy Act Handbook
Quantity of Goods (Timber)	<ul style="list-style-type: none"> • FSH 2409.11 - National Forest Log Scaling Handbook • FSH 2409.11a - National Forest Cubic Scaling Handbook • FSH 2409.12 - Timber Cruising Handbook
Fiscal Management	<ul style="list-style-type: none"> • FSH 6509.11k - Service-wide Finance and Accounting Handbook
Special Forest Products	<ul style="list-style-type: none"> • FSM 2460 - Uses of Timber Other Than Commercial Timber Sales • FSH 2409.18 - Permits, Uses of Timber Other Than Commercial Timber Sales, and Special Forest Products Including Forest Botanical Products
Statement of Account via Forest Products Financial System (FPFS)	<ul style="list-style-type: none"> • FSH 6509.17 - Forest Products Financial System • FPFS User Guide
Timber Information Manager (TIM) sale preparation process	<ul style="list-style-type: none"> • FSH 2409.18 - Basic Overview and Financial and Economic Analysis • TIM Contracts User Guide
Required Deposits	<ul style="list-style-type: none"> • FSH 2409.19 - Renewable Resources Handbook • FSH 2409.18 - Appraisal
Valuation of Goods	<ul style="list-style-type: none"> • FSH 2409.18 - Appraisal
Small Business Administration and Special Salvage Timber Sale Programs	<ul style="list-style-type: none"> • FSH 2409.18 - Programs with Small Business Administration

61 - Key Elements When Considering Stewardship Projects

Stewardship projects must be consistent with the land management objectives stated in 16 U.S.C. 6591c(c). The purpose and need of the NEPA document must address at least one of the following goals.

THE SEVEN LAND MANAGEMENT GOALS CONTAINED IN THE LAW

1. Road and trail maintenance or decommissioning to restore or maintain water quality.
2. Soil productivity, habitat for wildlife and fisheries, or other resource values.
3. Setting of prescribed fires to reduce wildfire hazards; improve the composition, structure, condition and health of stands; or improve wildlife habitat.
4. Removing vegetation or other activities to promote healthy forest stands, reduce wildfire hazards, or achieve other land management objectives.
5. Watershed restoration and maintenance.
6. Restoration and maintenance of wildlife and fish habitat.
7. Control of noxious weeds and exotic weeds, and re-establishment of native plant species.

Other Key Elements to consider:

1. Line Officers may use stewardship contracting as a tool to achieve land management objectives that are identified through the normal planning and NEPA processes. There is no specific, separate direction to follow in planning stewardship contracting projects, except that:
 - a. Projects are developed collaboratively at the level appropriate for the scale and complexity of stewardship projects. Collaborators may include cooperating Federal, State, and local government agencies; Tribal governments; non-governmental organizations; and any interested groups or individuals, including resource advisory committees, fire safe councils, resource conservation districts, and watershed councils. Project proposals may be initiated from external sources as well as from within the agency. Applicable laws must be complied with.
 - b. Public input from a collaborative group, partners, and other stakeholders may be used to assist the agency in determining specific lands to be treated and types of restoration work activities to be conducted.

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- c. Stewardship contracts and agreements are tools for meeting resource objectives and should not be included in the NEPA document and decision notice or memo as a requirement of the project.
 - d. The approving official ensures that the stewardship project is approved according to the established Regional procedures.
 - e. Resource activities within a stewardship contract or agreement should be grouped into reasonable segments to allow efficient use of equipment and encourage obtaining maximum value for the public.
 - f. Designation and marking of trees, portions of trees, or special forest products may be done by persons not employed by the Secretary of Agriculture in accordance with 16 U.S.C. 6591c.
2. Stewardship projects differ from standard timber sale contracts, service contracts, and agreements in the following manner:
- a. Stewardship contracts and agreements must be awarded on a best value basis and may use a performance-based format to meet end-result objectives.
 - b. Multiple year and multi-year IRSCs, service-only contracts, and stewardship agreements using stewardship contracting authorities can be up to 20 years in length, provided the majority of the area is in Fire Regime Groups I, II, or III (sec. 62.3).
 - c. Projects with defined location, prices, and volumes may be suitable for longer-term IRTCs. IRTCs cannot be used for indefinite quantity or indefinite delivery contracts.
 - d. The Forest Service unit may apply the value of timber or other forest products removed as an offset against any services received.
 - e. Trees and other forest products may be sold without advertisement regardless of value in accordance with 16 U.S.C. 6591c. Refer to section 61.5 for additional guidelines as to when advertisement is not necessary.
3. Deposits and Associated Charges under stewardship contracts and agreements.
- a. Knutson-Vandenberg (K-V) Act of 1930 (16 U.S.C. 576, 576a-576b), as amended, and Salvage Sale Funds (SSF) (NFMA) may not be collected on IRTCs, IRSCs, or stewardship agreements. Distribution to K-V and SSF accounts is not permitted (16 U.S.C. 6591c, sec. 205).
 - b. Deposits may be collected on an IRTC pursuant to the Brush Disposal Act (16 U.S.C. 490) and the Cooperative Funds Act (16 U.S.C. 498) for recurrent road maintenance and deferred road maintenance such as surface replacement.
 - c. As authorized under HFRA, Section 604 (16 U.S.C. 6591c) of Pub. L. 108-148, paragraph (f) deposits may be collected on an IRSC or a stewardship agreement

pursuant to Brush Disposal Act (16 U.S.C. 490) or the Cooperative Funds Act (16 U.S.C. 498). For recurrent and deferred road maintenance this may occur when the Contractor's commensurate share is too small to warrant a separate work item. For brush disposal this may occur when the Forest Service determines it is not in the Government's best interest to have the Contractor or Partner perform certain work such as burning slash. In most other instances, slash resulting from work paid for as service work should be disposed of as part of the service being paid for.

- d. Deposits for Actual Reconstruction (DAR) and Deposits for Reconstruction Engineering Services (DRES) may be collected under the IRTC form.

61.1 - Compliance with Existing Plans and Regulations

All stewardship projects must comply with NEPA following the procedures set out in FSH 1909.15. Multiple NEPA documents may be used for a single stewardship contract or agreement.

Stewardship projects must be consistent with plans relevant to the project, including but not limited to land management plans, range allotment plans, fire management plans, and facilities master plans. All contracts and agreements must comply with applicable laws, regulations, and agency direction.

61.11 - Collaboration

While the enabling legislation does not specifically mention collaboration in stewardship projects, Forest Service policy (sec. 60.3) is to involve States, counties, local communities, Tribal governments, non-governmental organizations, and interested stakeholders in a public process to provide input on implementation of stewardship projects in accordance with applicable laws.

Collaboration is a structured process in which a collection of people with diverse interests share knowledge, ideas, and resources while working together in an inclusive and cooperative manner toward a common purpose (36 CFR 219.19). Collaboration often includes diverse entities working together to solve shared problems, develop projects, and/or achieve outcomes using open, transparent, and inclusive approaches to decision-making.

Involve a variety of local interests and engage key stakeholders in collaboration throughout the life of the project, from project design through implementation and monitoring. The level of collaboration should be consistent with the scale and complexity of the project. The legislation requires Forest Service personnel to monitor and report on the role of communities in developing and implementing stewardship projects.

61.11a - Principles of Collaboration

1. Identify and Involve Relevant Stakeholders. The Line Officer at the appropriate level shall seek to involve the public in a collaborative manner while developing each stewardship project. Seek early involvement of:
 - a. Federal, State, and local government agencies.
 - b. Tribal governments.
 - c. Non-governmental organizations.
 - d. Local communities.
 - e. Interested groups or individuals, including resource advisory committees, fire safe councils, resource conservation districts, and watershed councils.
 - f. Individuals representing a cross-section of businesses, including timber industry representatives.

Contractors and timber sale purchasers do not participate in the design of work activities, development of requirements and specifications, or in the formulation of the statement of work (FAR 8.405-2, (b)).

The authorized Forest officer may initiate a collaborative group if one does not exist, provide information and data to the group, and have the Forest Service participate as a member, but not chair or direct the collaborative group. Care must be taken to comply with the Federal Advisory Committee Act (FACA) (5 U.S.C. Appendix 2). For questions on FACA considerations, consult local or Regional FACA experts or the Office of the General Counsel. Collaboration for stewardship projects is typically expected to go beyond the public involvement requirements of NEPA analysis. This involvement should begin at the project design stage and continue throughout the life of the project.

2. Design a Strategy to Conduct an Open, Inclusive, and Transparent Process. Establish clear objectives, roles, and responsibilities for all participants at the beginning. The process should create incentives for a variety of interested individuals and organizations to participate, yet the decision space should be clearly defined at the start. Forest Service representative(s) must clearly explain stewardship project principles, share ideas, and ask for input from collaborators. Forest Service employees do not ask the group for a consensus decision; rather, the collaborators are encouraged to share ideas and priorities with the Line Officer. The method for facilitating the collaborative process should be discussed and decided upon early in the process. Consider using skilled facilitators to assist in creating a constructive dialogue. The Line Officer must set realistic expectations, while encouraging participants to think creatively, optimistically, and pragmatically throughout the process. It should be clear from the outset that the decision is the sole purview of the responsible Line Officer.

3. Plan for Implementation and Evaluation as Part of the Collaborative Effort. Share information widely and continuously. Possible sources include assessment of communities at risk; current vegetative conditions with respect to the likelihood of severe wildland fire; threats to key habitat, water quality, and air quality; local economic data; and the risk of trade-offs inherent to active management. Utilize local knowledge in conjunction with scientific research. In some cases, some activities involved in a stewardship project may have had environmental analysis completed prior to developing the stewardship contracting proposal (sec. 61). Honor commitments made by the Line Officer to the collaborative group, consistent with existing laws and regulations. The collaborative group may remain involved in monitoring after project completion.

61.11b - Resources for Collaboration

The following websites provide additional information related to collaborating effectively with local communities:

1. Forest Service Stewardship Contracts and Agreements. Internal and external web sites containing resources for collaboration with interested individuals and organizations. Start with the Washington Office, Forest Management stewardship contracting website <http://fsweb.wo.fs.fed.us/fm/stewardship/index.shtml> for links to other sites.
2. Forest Service Partnership Office. A website (<https://www.fs.fed.us/working-with-us/partnerships>) functions as a clearinghouse of information and tools to help Partners and Forest Service employees initiate, learn about, and work with partnerships and collaboration. The information on the website includes a partnership/collaboration capacity tool and examples of successful collaborative efforts. A comprehensive listing of available beginning, intermediate, and advanced training in collaboration may also be found on this site.
3. Red Lodge Clearinghouse. A website (<https://www.rlch.org>) that provides collaboration resources and technical assistance.

61.12 - Identifying Local Community

The identification of what constitutes a local community is pertinent both to collaboration and to evaluation of submitted stewardship proposals. The parameters of local community must be defined for each stewardship project and used consistently across all contracts and agreements where local benefits are an evaluation factor. The definition of local varies significantly depending on the unique and varying scope of each stewardship project. It is generally not a function of NFS administrative boundaries. The definition must be considered in relation to the effect it would have on local and rural resource availability, geographical reasonableness, and the location of work under the stewardship contract or agreement. See section 60.42c for responsibilities of the District Ranger in determination of local community.

The collaborative process should be a good place to identify the local community and its interests. In some cases, the local community might be defined by an area (for example within a 15- to 20-mile radius from the project area), while other times the definition might focus more on the local workforce or companies. Additionally, some elements may be for maintaining local infrastructure or creating local employment. See section 63.11 for further direction in evaluating local communities in terms of non-price factors for awarding a contract.

61.13 - Internal Stewardship Project Team

Line Officers create and involve a team made up of appropriate contract or agreement specialists, financial management specialists, and resource management specialists early in the development of stewardship contracting projects. The internal stewardship contracting project team may work in collaboration with the public, coordinate the needs and roles of various Forest Service staffs, and provide recommendations on decisions relative to a project. Early involvement facilitates development of stewardship projects that are feasible and may be implemented in accordance with appropriate authorities (sec. 60.1).

61.14 - Identification of Project Areas

The project location and size should be determined through the collaborative process, considering the objectives of local workforce benefits and other benefits tied to the scale of the local economy, as well as resource management needs.

61.2 - Appropriate Use of Stewardship Contracts and Agreements

To determine if a stewardship contract or agreement is the appropriate tool, refer to the “Forest Restoration Best Tool Decision Tree” in FSM 2432.32. When it has been determined that stewardship is the appropriate tool, refer to section 61.2, exhibit 01 - Stewardship Contract or Agreement Selection Decision Tree to select the correct stewardship contract or agreement type. Exhibit 02 lists examples of the types of activities that may be performed using a stewardship contract or agreement. The list is not intended to be all inclusive, and determination of whether to use a stewardship contract or agreement ultimately lies with the Line Officer. See section 66.2 for more information on retained receipt expenditures appropriate for Forest Service salary.

Key elements of stewardship authority include:

1. Ability to treat large landscapes by bundling several contracts into one.
2. Ability to trade goods for services.
3. Contract or agreement term of up to 20-years, provided the majority of the area is in Fire Regime Groups I, II, or III.
4. Collaboration with stakeholders.

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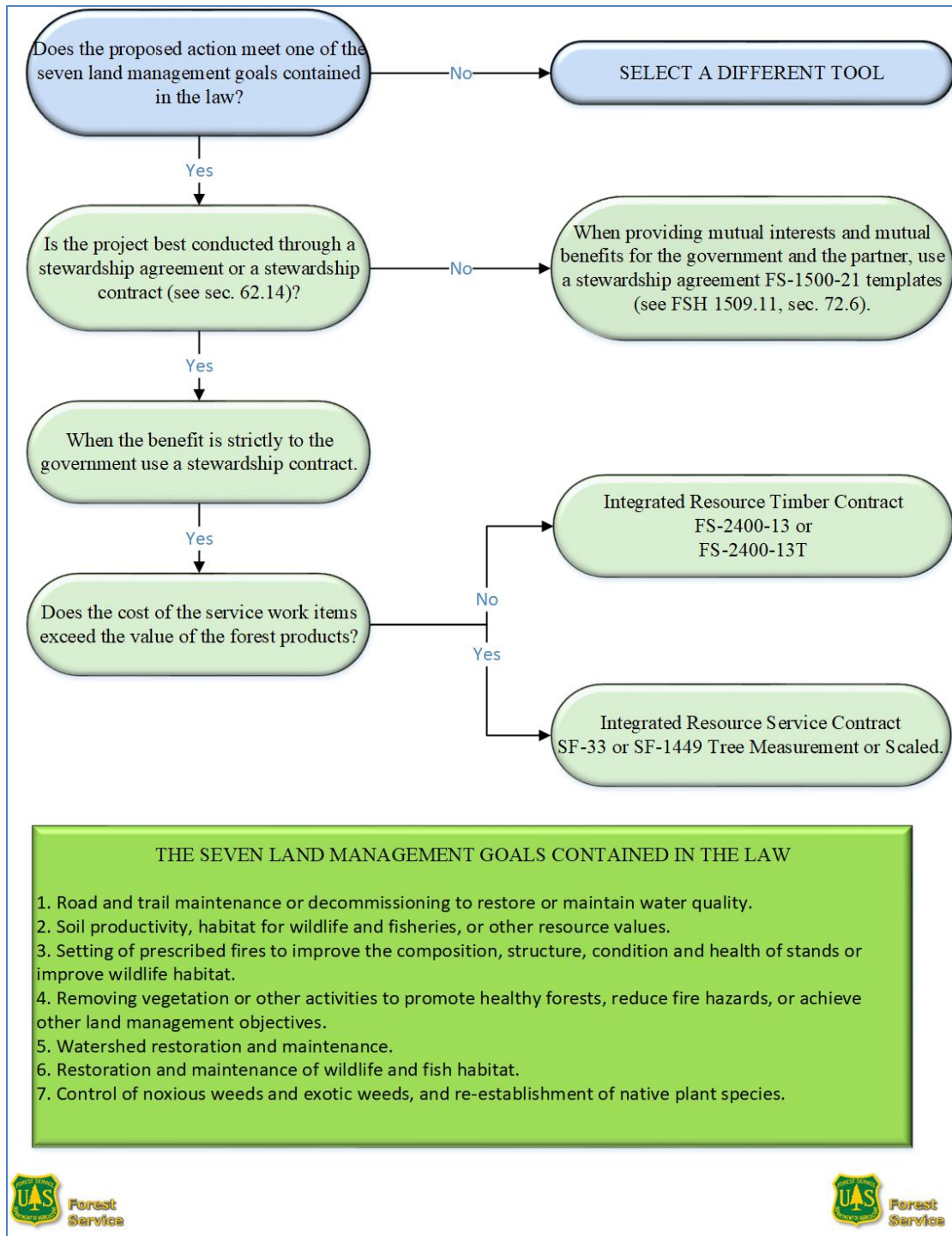
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5. Use of agreements when there is mutual interest and mutual benefit for the Government and the Partner.
6. Best value contracting.

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Stewardship Contract or Agreement Selection Decision Tree



Examples of Appropriate Stewardship Project Work Items

1. Development and preparation of approved stewardship projects. This includes tasks necessary to develop the NEPA for the stewardship project*:
 - a. Resource surveys (such as biological or heritage surveys).
 - b. Environmental analysis.
 - c. Timber sale preparation activities.
 - d. Boundary survey/maintenance for those stewardship projects that fall in the proximity of a boundary line as specified in FSM 7150.

*Note: No ground-disturbing work can be implemented until a NEPA decision has been secured.

2. Project implementation (post-NEPA decision). Examples of projects by the seven land management goals:
 - a. Road and trail maintenance or decommissioning to restore or maintain water quality.
 - (1) Decommission and restore vegetation on closed roads and travel ways.
 - (2) Install gates and other traffic control devices to restrict or eliminate use and prevent damage to roads, trails, and resources.
 - (3) Clear trails within an area or relocate a section of trail to reduce erosion and/or improve water quality.
 - (4) Address road or trail maintenance needs that are causing erosion and/or degradation of water quality.
 - (5) Place a road in long-term storage.
 - (6) Reconstruct the surface and/or drainage structures of a road to minimize erosion.
 - (7) Reconstruct trail bridges for bogs or wetlands.

Examples of Appropriate Stewardship Project Work Items

- b. Soil productivity, habitat for wildlife and fisheries, or other resource values.
 - (1) Rip or till compacted soils.
 - (2) Replace a culvert obstructing aquatic organism passage to permit the passage of aquatic species.
 - (3) Enhance special forest product harvest opportunities through appropriate site treatments.
 - (4) Construct nest boxes, tree cavities, guzzlers, or water catchments.
 - (5) Restore an area burned by wildfire.
 - (6) Repair or replace an outhouse when the existing outhouse is degrading water quality.
- c. Setting of prescribed fires to reduce wildfire hazards; improve the composition, structure, condition, and health of forest stands; or to improve wildlife habitat.
 - (1) Conduct prescribed burns to enhance forest and rangeland ecosystems.
 - (2) Conduct prescribed burns to enhance wildlife habitat.
- d. Removing vegetation or other activities to promote healthy forest stands, reduce wildfire hazards, or achieve other land management objectives.
 - (1) Remove biomass to reduce fuel hazard.
 - (2) Masticate or mow surface and ladder fuels.
 - (3) Thin trees to enhance growth or improve resistance to insects and disease.
 - (4) Allow grazing of a fuel break outside an allotment to reduce fire hazard.
 - (5) Remove forage outside allotments to reduce fire hazard.
 - (6) Roadside vegetation management.
 - (7) Seed or plant native tree species following regeneration harvest.

Examples of Appropriate Stewardship Project Work Items

- e. Watershed restoration and maintenance.
 - (1) Plant riparian vegetation and stabilize stream banks.
 - (2) Place large woody debris in streams to control stream temperature and provide vegetative cover.
 - (3) Clean up existing landslide debris.
 - (4) Conduct fire rehabilitation and restoration work, including reforestation.
- f. Restoration and maintenance of wildlife and fish habitat.
 - (1) Manipulate vegetation to improve habitat connectivity.
 - (2) Maintain, establish, enhance, or create wetland, aquatic, and fish habitat.
 - (3) Maintain, establish, enhance, or create wildlife habitat, including habitat diversity and heterogeneity.
 - (4) Restrict use of roads and motorized trails (in accordance with road management objectives) and decommission unauthorized roads to reduce disturbance or improve utilization of habitats.
- g. Control of noxious and exotic weeds, and reestablishment of native plant species.
 - (1) Treat noxious weeds.
 - (2) Plant blight resistant American chestnut seedlings.
 - (3) Remove non-native invasive tree and shrub species to restore savannah habitat.
 - (4) Remove non-native invasive plants in riparian areas and plant with native varieties.

Examples of Appropriate Stewardship Project Work Items

- h. Supply purchases include consumable materials in quantities appropriate for the bona fide need of the approved stewardship project. Appropriate supplies include consumable materials such as:
 - (1) Paint,
 - (2) Flagging,
 - (3) Stakes,
 - (4) Ignition materials, and
 - (5) Herbicides.
- 3. Post-Project Monitoring
 - a. Project-level multiparty process (sec. 67.2).
 - b. Project-level implementation or effectiveness monitoring.
 - c. Resource surveys, such as stocking surveys and certifications for reforestation.
 - d. Certification exams.

61.3 - Estimating Value and Cost

The value of a stewardship project is based on the sum of the product value and service work (both mandatory and optional) combined. For example, for the preliminary estimate, if the product to be removed is valued at \$400,000 and the service work is valued at \$500,000, the project value is \$900,000. Forest products must be appraised at fair market value. The estimated value of the stewardship project must be determined with a preliminary appraisal early in the planning process to assist in determining the appropriate contract type(s), identifying restoration work activities, assessing the economics of the project, and determining the need for additional funds (either retained receipts from another approved stewardship project, appropriated funds, or Cooperator contributions). A final appraisal (sec. 62.6) must be completed again as part of contract preparation to finalize mandatory and optional work items.

1. Estimating Cost of Service Work. Estimated cost of service work must be computed using methods determined by the local Procurement Contracting Officer for the type of work being proposed.
2. Estimating Value of Products. The appraisal of timber and other forest products must be conducted using appraisal methods as specified in the Timber Sale Preparation Handbook (FSH 2409.18, ch. 40) and Regional guidelines. The volume of products to be appraised should be determined using standard techniques. Minimum rates for forest products, as defined in FSM 2431.3, apply for stewardship projects. Do not apply a roll-back factor in situations where appraised value will not be subject to competitive bidding such as stewardship agreements or sole source stewardship contracts. Applying a roll-back factor in situations not subject to competitive bidding will undervalue the timber and not represent fair market value.

61.4 - Downpayments and Periodic Payments

Pursuant to 36 CFR 223.303(c), the regulations for downpayments and periodic payment are not applicable to IRSCs or stewardship agreements.

Since 36 CFR 223.304(a)(8) makes paragraph (d) of 36 CFR 223.49 inapplicable, as of the date of this chapter downpayments are not applicable in an IRTC (sec. 60.3).

Pursuant to 36 CFR 223.50(b)(3), periodic payments are not required for stewardship contracts unless the Contracting Officer determines that periodic payments are needed to ensure the Government's financial security.

A decision to include periodic payments must be made prior to offering an IRTC. Contracting Officers should consider such things as the amount of timber value in relation to the amount of service work and contract length. Contracts with a high value of timber in relation to the cost of the service work or a long contract period may benefit from the economic incentives to harvest timber provided by periodic payments.

61.5 - Sale Without Advertisement

The authority at 36 CFR 223.304(a)(11) to sell products with a value greater than \$10,000 without advertisement must be used judiciously to provide reasonable opportunities to contractors and protect the interest of the Government by obtaining the best value for goods removed. Normally this authority should only be used when disposal will be under a stewardship agreement (sec. 62.14). However, an IRTC with product value exceeding \$10,000 may be offered without advertisement subject to the following:

1. Timber Settlement. The IRTC must meet the conditions and follow the procedures for timber settlement in FSM 2464. The authority to sell timber without advertisement when necessary for the occupancy of a right-of-way or other authorized use of NFS land is 36 CFR 223.12.
2. Administrative Use. The IRTC must meet conditions and follow the procedures for administrative use in FSM 2463; however, the authority to sell the timber without advertisement is 36 CFR 223.304(a)(11).

Document the authority and rationale for using a stewardship agreement or a stewardship contract offered without advertisement in the stewardship approval record. Do not apply a roll-back factor (FSH 2409.18, ch. 40) to appraisals of forest products removed under a stewardship agreement or contract offered without advertisement.

When using a stewardship agreement where there is competitive interest in the forest products, requirement for a competitively awarded contract instrument should be included as part of the overall stewardship agreement package (sec. 62.14).

There is no authority for stewardship contracts determined under 36 CFR 223.301(a)(1) to be a procurement of services to be advertised without competition.

61.6 - Approval of Stewardship Projects

The Regional Forester is responsible for determining the stewardship project approval process. See section 60.42 for more details on authorities.

The documentation for approval must include appropriate information about the proposed project, such as:

1. Land management objectives of the project.
2. Stewardship authorities to be used.
3. The instrument to be used (IRTC, IRSC, service-only contract, or agreement) including best interest of the Government determination (36 CFR 223.301).
4. Estimated value of products to be removed.

5. Estimated value of services to be received.
6. Estimated value of goods to be exchanged for services.
7. Contributed funds needed or work to be received (in the case of an agreement).
8. Appropriated funds, retained receipts, and other funds to be used.
9. Expected retained receipts from the project.
10. Competition requirements.
11. NEPA status.

The Washington Office, Forest Management website contains a sample proposal format.

61.7 - Stewardship Projects Under the Tribal Forest Protection Act (TFPA) of 2004

61.71 - Project Selection Criteria Under TFPA

As stated in section (c) of the TFPA, the Forest Service may consider proposals submitted by an Indian Tribe to enter into a contract or agreement to carry out a project to protect Indian forest land or rangeland that meets all the following criteria:

1. The Indian forest land or rangeland borders or is adjacent to land under the jurisdiction of the Forest Service;
2. The Indian forest land or rangeland is under the jurisdiction of an Indian Tribe or of a Tribal community of a Federally recognized Tribe;
3. The NFS land either poses a threat to the Indian forest land or rangeland or a Tribal community, or the land is in need of land restoration activities;
4. The activities proposed in the project are not already covered by a stewardship contract or other instrument that would present a conflict on the subject land; and
5. The NFS land described in the application of the Indian Tribe involves a feature or circumstance unique to that Indian Tribe, including treaty rights, biological, archaeological, historical, or cultural circumstances.

61.72 - Responses to Tribal Requests Made Under TFPA

Line Officers may accept proposals only from a representative of the governing body of a Tribe, such as a Tribal Council or Tribal Chairman. The Tribe may submit a proposal on behalf of a Tribal member that owns an allotment that meets the qualifications for a project under section 61.71.

After a request by an Indian Tribe to enter into a stewardship contract or agreement, the Agency has 120 days to:

1. Issue a public notice of initiation of any necessary environmental review;
2. Issue a public notice of the potential of entering into a contract or agreement with an Indian Tribe; or
3. Issue a notice of denial to the Indian Tribe.

61.73 - Responses to Tribal Requests Made Under TFPA from Tribes in Alaska

Lands selected by Alaska Native Corporations under the Alaska National Interest Lands Conservation Act are not held in trust or with a restriction against alienation. Therefore, such lands are outside the scope of the TFPA.

The TFPA states that “Indian forest land or rangeland” means land that is held in trust by or with a restriction against alienation by the United States for an Indian Tribe or a member of an Indian Tribe. Individual Indian allotments, of which there are some in Alaska, are lands held with a restriction against alienation. Therefore, a Tribe to which the individual Indian allottee belongs may submit a request to the Forest Service to enter into a contract or agreement to carry out a project to protect the allottee’s land, which would then be considered according to the criteria in section 61.71. Similarly, Tribal reservations in Alaska, such as the Metlakatla Reservation, would be lands held in trust and thus are eligible under the TFPA.

61.74 - Notice of Denial for Projects Submitted Under TFPA

As stated in section (2)(d) of the TFPA, if the Tribe’s proposal pursuant to the TFPA for entering into a contract, agreement, or other instrument with the Forest Service is denied, the Regional Forester issues a notice of denial to the Indian Tribe which:

1. Identifies specific factors that caused, and explains the reasons that support, the denial;
2. Identifies potential courses of action for overcoming specific issues that led to the denial; and
3. Proposes a schedule of consultation with the Indian Tribe for the purpose of developing a strategy for protecting the Indian forest land or rangeland of the Indian Tribe and interests of the Indian Tribe in NFS land.

The denial of a project proposed by Tribes under the TFPA is not subject to administrative appeal because such proposals are not Forest Service proposed actions under 36 CFR part 215; rather, they are Tribal proposals.

Proposals that meet the criteria set forth in the TFPA and which are then considered and analyzed by the Forest Service in a decision consistent with NEPA, are subject to applicable agency administrative appeal procedures.

61.75 - Contract and Agreement Types Under TFPA

1. Proposals submitted under the TFPA may be eligible for consideration under applicable sole source contracting authorities. Follow the procedural direction for the application, development, execution, and administration of contracts and agreements in FSH 1509.11 and FSH 6309.32.
2. TFPA projects may be implemented through stewardship contracts and agreements and other instruments as appropriate. National Forests select the best instrument appropriate to the circumstances.
 - a. Stewardship contracts or other instruments may be used to help meet the intent of the Act to reduce the threat to Indian forest land, rangelands, and Tribal communities. Stewardship contracts can maximize the efforts and areas treated when there are goods that can be traded for the service work to be done to reduce the threat. For additional information see FSH 1509.11 and FSM 6300.
 - b. For stewardship contracts or other instruments involving goods traded for services, the integrated resource contracts may be used, and the service or timber version may be selected in the same manner as any other stewardship contract. For contracts in which there are no goods to be traded for the services to be accomplished, a traditional procurement service contract may be used.
 - c. Agreements may be used when appropriate. Refer to FSM 1580 and contact the designated Regional Grants and Agreements Specialist for advice. The use of grants is not authorized under the TFPA.

61.76 - Proposal Evaluation and Determination Factors Under TFPA

As stated in section 2(e) of the Act, in entering into a contract or agreement in response to a request of an Indian Tribe, the authorized officer shall:

1. Select a source for performance on a best-value basis.
2. Give specific consideration to Tribal-related factors in the proposal, including:
 - a. The status of the Indian Tribe as an Indian Tribe,
 - b. The trust status of the Indian forest land or rangeland of the Indian Tribe,
 - c. The cultural, traditional, and historical affiliation of the Indian Tribe with the land subject to the proposal,
 - d. The treaty rights or other reserved rights of the Indian Tribe relating to the land subject to the proposal,
 - e. The indigenous knowledge and skills of members of the Indian Tribe,

- f. The features of the landscape of the land subject to the proposal, including watersheds and vegetation types,
 - g. The working relationships between the Indian Tribe and Federal agencies in coordinating activities affecting the land subject to the proposal, and
 - h. The access by members of the Indian Tribe to the land subject to the proposal.
3. Confirm that proposals by Tribes are authorized in writing by the Tribal Government.

61.77 - Indian Self-Determination and Education Assistance Act (638)

The Indian Self-Determination and Education Assistance Act (Pub. L. 93-638) (sec. 60.1, #8) allows the Forest Service to enter into agreements with Tribes to perform certain functions of the Federal Government. Use the 638 authority as another tool to implement work on NFS lands. Work performed under the 638 authority should be paid for with appropriated funds or timber trust funds including K-V (reforestation), BD (brush disposal), or salvage sale (SSF). Stewardship retained receipts cannot be used to fund 638 agreements or projects.

61.8 - Coordination with the Small Business Administration

Invite field representatives of the Small Business Administration (SBA) to participate in stewardship contracting projects. The SBA has access to information about the capabilities of small businesses that may be important to implementation of projects and can provide an important link to small businesses during the selection and design of projects. Provide an electronic copy of stewardship contract solicitations and awarded contracts to SBA field representatives.

To ensure there is opportunity for use of local small business sawmills, make certain that the request for proposals for stewardship contracting projects considers technical evaluation criteria that give weight for use of local small businesses, including small business sawlog mills. When defining the evaluation criteria, give additional weight to those proposals that are responsive to the local community's needs. But, do not set-aside stewardship contracts and agreements in the timber sale set-aside program or the special salvage timber sale (SSTS) program.

Track the volume of all sawlogs in stewardship contracts and agreements separately on form FS-2400-31a. Track the sawlog volume going to small and large businesses and to manufacturers and non-manufacturers, as defined in FSH 2409.18, chapter 90. Use this information at the end of the scheduled 5-year recomputation of shares for the regular timber sale set-aside program to determine if policy changes are needed in either the stewardship contracting or regular set-aside program. Refer to FSH 2409.18, chapter 90 regarding procedures for recomputing shares.

62 - Preparing Stewardship Contracts and Agreements

The Forest Service will consider all available authorities for involving a wide range of contractors or partners. Determine which authority to use based on the objectives of the

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individual stewardship project, market research, and feedback resulting from collaboration. For more information on determining whether a contract or an agreement with product removal is the appropriate tool, refer to section 62, exhibit 01.

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Stewardship Contract and Agreement Use Matrix

	CONTRACTS			AGREEMENTS
Type of Use	Integrated Resource Timber Contract (IRTC) FS-2400-13 Scaled and FS-2400-13T Tree Measurement	Integrated Resource Service Contract (IRSC) for Commercial Services SF-1449 Scaled and Tree Measurement	Integrated Resource Service Contract (IRSC) for Construction SF-33 Scaled and Tree Measurement	Stewardship Agreement
Full NEPA compliance required	Yes	Yes	Yes	Yes
Contracting Officer	Timber	Procurement	Procurement	Timber
Advertise/Solicit	Advertise	Solicit	Solicit	No ^{1/}
Full and Open Competition allowed	Yes	Yes	Yes	No
Less than Full and Open Competition allowed	Yes	Yes	Yes	Yes
Best Value required	Yes	Yes	Yes	Yes
Trade Goods for Services	Yes	Yes	Yes	Yes
Must have mandatory and may have optional/elective work activities	Yes	Yes	Yes	Yes
Value of timber greater than service cost	Yes	No ^{2/}	No ^{2/}	No ^{2/}
Fund Service Work with Retained Receipts (SSCC)	No ^{2/ 16/}	Yes	Yes	Yes
Maximum Length of Original Contract/Agreement	10 Years	10 Years ^{3/}	10 Years ^{3/}	10 Years ^{3/}
Payment at Flat Rates	Yes	Yes	Yes	Yes
Payment at Escalated Rates ^{4/}	Yes	No	No	No
Associated Charges (such as road maintenance, brush disposal, scaling, & so forth.)	Yes	Yes	Yes	Yes
Bid Guarantee	No	Optional	Optional	No
Timber Performance Bond required	Yes ^{5/}	No ^{6/}	No ^{6/}	No ^{6/}
Use of Timber Payment Bond (FSH 6509.11k, sec. 83.3)	Yes	Yes	Yes	Yes
FAR bonding; labor, materials, construction, or performance (Refer to FSH 1509.11, ch. 80)	No	Yes	Yes	Yes
Reimbursement of Bond Premium (for construction or performance under FAR)	No	Yes	Yes	Yes
Fire Liability limits included	Yes	Yes	Yes	Yes

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Stewardship Contract and Agreement Use Matrix

	CONTRACTS			AGREEMENTS
Type of Use	Integrated Resource Timber Contract (IRTC) FS-2400-13 Scaled and FS-2400-13T Tree Measurement	Integrated Resource Service Contract (IRSC) for Commercial Services SF-1449 Scaled and Tree Measurement	Integrated Resource Service Contract (IRSC) for Construction SF-33 Scaled and Tree Measurement	Stewardship Agreement
Periodic Payments	Optional ^{7/}	No	No	No
Downpayment	N/A ^{8/}	No	No	No
Distributions other than funding codes SDNG/SSCC on National Forest System lands	No	No	Yes ^{9/}	No
Construction Wage Rates required (formerly Davis-Bacon Act)	Turn back roads only	No	Yes	No ^{10/}
Local Woods Wage Rates applicable	Yes	No	No	No
Domestic Processing Requirements west of 100th Meridian	Yes	Yes	Yes	Yes
Painting and Branding west of 100th Meridian	Yes	Yes	Yes	Yes
Specified Roads ^{11/}	Yes	No	No	No
SBA Road Option	Yes	No	No	No
Include road construction and reconstruction as a service item	No ^{12/}	N/A	Yes	Yes
Temporary Roads	Yes	Yes	Yes	Yes
Design contract as an Indefinite Delivery Indefinite Quantity (IDIQ) contract	No	Optional ^{13/}	Optional ^{13/}	N/A
Modification allowed	Yes	Yes	Yes	Yes
Scheduled Rate Redetermination	Yes ^{14/}	No	No	No
Contract Term Extension	Yes	No	No	No
Additional Timber allowed	Yes	Yes	Yes	Yes
Normal Operating Season for product removal	Yes	No	No	No
Periodic Adjustment of cost of service work	Yes	Yes	Yes	Yes
Timber Subject to Agreement	Yes	Yes	Yes	Yes

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Stewardship Contract and Agreement Use Matrix

	CONTRACTS			AGREEMENTS
Type of Use	Integrated Resource Timber Contract (IRTC) FS-2400-13 Scaled and FS-2400-13T Tree Measurement	Integrated Resource Service Contract (IRSC) for Commercial Services SF-1449 Scaled and Tree Measurement	Integrated Resource Service Contract (IRSC) for Construction SF-33 Scaled and Tree Measurement	Stewardship Agreement
TIM - Report side of the FS-2400-17 ^{15/}	Yes	Yes	Yes	Yes
Transaction Evidence Appraisal Summary (FS-2400-17)	Yes	Yes	Yes	Yes
SBA Set-asides	No	No	No	No
SSTS Set-asides	No	No	No	No
<u>1/</u> Individual service activities within an agreement may be advertised or solicited by the Cooperator.				
<u>2/</u> It should not be the intent to collect retained receipts under this instrument; however, cases may occur where product value exceeds costs of services at the end of the project.				
<u>3/</u> Terms may be up to 20 years on areas where the majority of Federal lands are in Fire Regime Groups I, II, or III (sec. 62.3).				
<u>4/</u> FSM 2431.36. In the western United States, timber sale contracts that exceed 3 years in length must provide for stumpage rate adjustment, except when flat rates will provide the best value for stewardship contracts.				
<u>5/</u> Require a performance bond to protect the interests of the Government in event Contractor fails to perform compliance work associated with cutting and removing included timber. Refer to FSH 6509.11k, ch. 80; FSM 2456; and FSH 2409.18, ch. 50.				
<u>6/</u> Contracting Officer may require performance and payment bonds pursuant to FAR. Refer to section 63.18 of this handbook; USDA Contracting Desk Book; Acquisition Management Forest Service Procedures, Guidance, and Information (FS PGI), Part 4G37-FAR; FAR 28.106-1; and FSH 6509.11k, ch. 80.				
<u>7/</u> Pursuant to 36 CFR 223.50, periodic payments are optional at the discretion of the Contracting Officer (sec. 61.4).				
<u>8/</u> Since 36 CFR 223.304(a)(8) makes paragraph (d) of 36 CFR 223.49 inapplicable, as of the date of this chapter downpayments are not applicable in an IRTC (sec. 60.3).				
<u>9/</u> Service Contract Act (SCA) wages apply on contracts greater than \$2,500 in value.				
<u>10/</u> Exceptions may apply. Refer to FSH 1509.11, ch. 70.				
<u>11/</u> Road construction for which there is an appraisal allowance.				
<u>12/</u> These are an appraisal item in an IRTC. If there is insufficient timber value to cover cost of roads, it would become an IRSC on contract form SF-33.				
<u>13/</u> See sec. 62.12 for more information.				
<u>14/</u> See sec. 62.11 for more information. Contracts with a term longer than 5 years, pursuant to Scheduled Rate Redetermination special provision.				
<u>15/</u> Only the name of the successful Contractor or Partner and the total value of the timber are to be included on the FS-2400-17 for distribution to the public.				
<u>16/</u> Retained receipts are allowed in special circumstances such as needed to pay excess credits when stumpage is unexpectedly less than planned.				

62.1 - Contract or Agreement Type

Stewardship contracts combine product removal and service work and provide for the offset of service work costs through the establishment of credits that can be applied to the value of the forest product. Only contract types approved by the Forest Service, Washington Office shall be used for stewardship contracts. Standard contract text and format, along with standard and special National provisions and clause text shall not be changed, edited, or made inapplicable. New Regional special provisions and clauses proposed for use in the FS-2400-13/13T, SF-1449, and SF-33 are to be approved by the Washington Office prior to use (see FSM 2404.15b). Non-recurring special provisions and clauses may be used to meet management objectives on a particular contract area. District Rangers or Forest Supervisors may request use of special provisions and clauses from the Regional Forester. The Regional Forester's authorization is limited to a particular sale (FSH 2409.18, ch. 50).

There are five contract types approved for use in stewardship projects:

1. Integrated Resource Timber Contract-scaled (FS-2400-13) (IRTC).
2. Integrated Resource Timber Contract-tree measurement (FS-2400-13T) (IRTC).
3. Integrated Resource Commercial Services Contract (SF-1449) (IRSC).
4. Integrated Resource Construction Contract (SF-33) (IRSC).
5. Service-only Contract. (Removal of timber or other forest products is not permitted.)

The contract type selected for approved stewardship projects should be appropriate for completing planned restoration activities and meeting restoration and community objectives. Reference copies of the four integrated resource contracts can be obtained from the Washington Office, Forest Management website. Information for all these forms is entered into TIM. IRTCs must be prepared in TIM (sec. 64.52). Section 62, exhibit 01 contains a matrix for determining the appropriate type of integrated resource contract to use in a particular situation.

A stewardship agreement may also be used to implement a stewardship project. (See FSH 1509.11, ch. 70). A stewardship agreement may include forest product removal and/or services. For more information on agreements, see section 62.14.

There are five agreement templates approved for use in stewardship projects:

1. Master Stewardship Agreement (FS-1500-21).
2. Stewardship Agreement SPA (FS-1500-21A) (Timber).
3. Stewardship Agreement SPA (FS-1500-21A) (Non-Timber).
4. Stewardship Agreement (FS-1500-21C) (Stand-alone).

5. Stewardship Agreement (Short form) (FS-1500-21D).

62.11 - Integrated Resource Timber Contract

Integrated Resource Timber Contract (IRTC) forms (FS-2400-13/13T) were developed for exclusive use in implementing stewardship projects when the value of goods exceeds the cost of services. Key features of an IRTC include:

1. IRTCs are classified in 36 CFR 223.301(b)(2) as sale of property contracts administered by a timber sale Contracting Officer.
2. An IRTC combines product removal and service work and is patterned after the standard timber sale contract.
3. In an IRTC, goods (timber or other forest products) are traded for services.
4. Each IRTC must include mandatory restoration work items and may include optional restoration work items.
5. An IRTC cannot be structured as an Indefinite Delivery Indefinite Quantity contract.
6. Use of the IRTC requires adherence to the laws, regulations, policy, and direction applicable to timber sales and implemented in 36 CFR 223, subpart I, while incorporating the stewardship authorities granted by Congress per stewardship authority (sec. 60.1).
7. Stumpage must be covered prior to cutting by cash, earned stewardship credits, or payment bond.

As a guideline for determining the quantity of mandatory work activities to include in an IRTC, use approximately 75 percent of the maximum total product value at appraised rates if products will be scaled, and approximately 90 percent of the maximum total product value if products will be paid for on a tree measurement or lump sum basis. If the contract is subject to stumpage rate adjustment, reduce the percent of total product value on scaled contracts to approximately 50 percent, and to about 60 percent on tree measurement contracts. It is appropriate and desirable to have a list of optional work items displayed in priority order for completion that may be added at the Government's discretion (unilateral) if stumpage value becomes available during the life of the contract.

Per section 62.9, TIM must be used for preparing IRTCs utilizing the FS-2400-13/13T contract formats. Specify the Government inspection process for acceptance of stewardship work. List the stewardship credit amounts in the contract for all service work items at time of award based on the Contractor's bid. Credits can be accrued as progress is made and portions of the restoration work are completed and accepted.

Prepare a prospective bidder letter, prospectus, advertisement, and bid form following the procedures in FSH 2409.18, chapter 50 and the templates in TIM. IRTCs must be advertised for 30 days or more, depending on the complexity of the project. The Contracting Officer may make

exceptions consistent with 36 CFR 223.81. A field trip to take prospective contractors to the contract area is recommended, and if conducted, should be scheduled and completed at least 20 days prior to when technical proposals are due. The field trip provides an opportunity for prospective contractors to see the treatment areas and ask questions about the project. If material changes to the sample contract are made to reflect feedback during the field trip, the advertisement should be cancelled, and corrections made to the sample contract. Material changes would include changes to rates, the kind or location of timber, or changes to stewardship work items. The advertisement period should be re-started for the full 30 days (see FSH 2409.18, ch. 57.53).

When the original contract term is greater than five years include the Scheduled Rate Redetermination special provision in the contract. Refer to FSH 2409.18, chapter 40 for procedures on preparing rate redeterminations.

62.12 - Integrated Resource Service Contract

Integrated Resource Service Contract (IRSC) forms (SF-33 and SF-1449) were developed for use in stewardship contracting projects when the cost of services or construction exceeds the value of the goods. Key features of an IRSC include:

1. An IRSC is classified in 36 CFR 223.301(b)(1) as procurement of services contract administered by a Procurement Contracting Officer.
2. An IRSC combines service work and product removal and is patterned after a standard procurement contract.
3. In an IRSC goods are traded for services.
4. An IRSC must have mandatory service work items and may include optional service work items which may be added at the Government's option.
5. An IRSC may use appropriated funds and retained receipts from another stewardship contracting project to pay for service work.
6. The use of retained receipts may be approved by the Regional Forester or by the Forest Supervisor, if delegated, for use on any IRSC in place of appropriated funds.
7. An IRSC can be structured as an Indefinite Delivery Indefinite Quantity contract.
8. An IRSC contains procurement clauses and applicable National, Regional, and complimentary Forest timber disposal clauses in Appendix B. The Washington Office, Office of Procurement and Property Services maintains the Appendix B clauses that are similar to the FS-2400-13/13T contract provisions. The 2400-13/13T timber related provisions that are not aligned with procurement contracting procedures shall not be used. Refer to Washington Office Appendix B clauses for IRSCs with product removal

maintained on the Washington Office, Office of Procurement and Property Services procurement policy web page under Stewardship Contracting.

9. An IRSC requires adherence to the laws, regulations, policy, and direction applicable to procurement contracts (FAR) and timber sales (36 CFR 223, subpart I) while incorporating the stewardship authorities granted by Congress as described in section 60.1.
10. Stumpage must be covered prior to cutting by cash, earned stewardship credits, or payment bond.
11. Products removed from the project area must meet National, Regional, and Forest timber accountability requirements (paint, hammer branding, product removal receipts, export requirements, and so forth).

Per section 62.9, contract data must be entered in TIM, following timber management gate system progression, through Gate 6, prior to when the notice to proceed is given. TIM will not generate the actual solicitation. Refer to the Washington Office, Office of Procurement and Property Services web page for the latest templates for the SF-1449 and SF-33 stewardship templates.

To determine the amount of appropriated and/or other funds to commit or obligate subtract from the estimated cost of services approximately 75 percent of the total product value at appraised rates if products will be scaled, and approximately 90 percent of the total product value if products will be paid for on a tree measurement or lump sum basis. Products included in an IRSC must be sold at flat rates and not be subject to stumpage rate adjustment.

An IRSC can be set up as a Task Order, IDIQ, or Call Order (order) procurement vehicle. Applicable FAR, manual, and handbook direction related to these contracting types are to be followed. NEPA for future orders does not have to be completed prior to base contract award, but restoration treatment activities must be identified in a completed NEPA decision before they are implemented.

Prepare and administer each order issued as a separate contract with a unique contract name and number. Complete each order (contract) and Appendices A-D using approved IRSC formats, and identify the work to be completed under the order. The volume of products to be removed, the quantity of each restoration work item to be completed, and the appropriated funds or retained receipts to be obligated must be identified for each order. The value of the products to be removed must be appraised per section 62.7. Estimated cost of service work for both mandatory and optional work items must be computed using methods determined by the local Procurement Contracting Officer for the type of work being proposed. These estimates serve as the starting point in negotiations with the Contractor prior to agreeing on the cost of each order.

Appendix B is to be used to identify the requirements and utilization standards for the removal of forest products in an IRSC. Regional clauses may be added to identify specific requirements or

to limit or prohibit operations. Do not duplicate clauses in Appendix B that have a counterpart in the body of the contract.

An IRSC must be solicited online in Federal Business Opportunities for at least 30 days or more, depending on the complexity of the project. A site visit to take prospective contractors to the contract area is recommended, and if conducted, should be scheduled and completed at least 20 days before technical proposals are due. The site visit provides an opportunity for prospective contractors to see the treatment areas and ask questions about the project. Changes to the solicitation that reflect feedback from the site visit must follow standard FAR amendment procedures as described in FAR Part 5. The Contracting Officer must consider the time remaining to receive proposals and extend the solicitation closing date to allow all prospective vendors an opportunity to consider the changes. Consult with the Office of Procurement and Property Services direction for full and open competition.

All IRSCs are awarded in the Integrated Acquisition System (IAS).

62.12a - Determining Use of Multiple Year Integrated Resource Service Contracts

Multiple year contracts are different from multi-year contracts since options need to be exercised in order to procure more than one year of products or services. The FAR defines multiple year contracts as having a contract term date of more than 1 year regardless of fiscal year funding. This means if there is no funding for additional optional work, there is no obligation to award or have a cancellation ceiling.

When using multiple year, the need to add additional clauses to the contract is required. Not all are required unless the Timber Sale Contracting Officer and Procurement Contracting Officer determine they are needed. They include:

1. Evaluation Exclusive of Options,
2. Evaluation of Options Exercised at time of Contract Award,
3. Evaluation of Options,
4. Option for Increased Quantity,
5. Option for Increased Quantity-Separately Priced Line Item,
6. Option to Extend Services, and
7. Option to Extend the Term of the Contact.

The goal of options is to ensure the Government and the Contractor are aware of the future requirements and that the Contractor has enough information to provide a sound business plan and response to proposal with bids that reflect this understanding.

62.12b - Determining Use of Multi-Year Contracts

Consider a variety of elements in determining the use of multi-year contracts. Multi-year contracts are used to acquire known quantities of services on a recurring annual basis (program year) utilizing the IRSC or service-only contract formats. Consider if the following factors apply prior to using a multi-year contract:

1. The land management to be accomplished requires more than one year or steps to complete with known quantities for out-year requirements.
2. The need for funding needed for supplies or services is firm and continuing for every program year after initial contract award over the period of the contract.
3. A multi-year contract may serve in the best interests of the United States by encouraging full and open competition or promoting economy in administration, performance, and operation of the Agency's programs because each program year only requires additional funding to be added to the already requested quantities ordered.

The Washington Office, MASCO is required to approve any Determination and Findings (D&F) for the use of multi-year contracts. For individual contracts, the Contracting Officer addresses the cancellation ceiling in their source selection plan and ensures that funds are available for the cancellation ceiling.

The following should be considered in calculating the cancellation charge under FAR 52.217-2 - Cancellation Under Multi-year Contracts:

1. Contractor costs of providing services under a multi-year stewardship contract should only be a factor in the cancellation ceiling determination if the costs can be tied to a contract requirement.
2. For qualifying Contractor investments, the costs may be included in the cancellation charge only to the extent that the multi-year stewardship contract benefits. This allocability rule should figure into all cancellation charge computations.
3. When the Agency sells forest products and requires removal, but does not specify where the material is to be removed to or what manufacturing is to be done, then the post-removal manufacturing costs are not applicable to the service work items to be furnished under the multi-year contract requirements. For this reason, those costs would not be included in the cancellation charge calculation.

The Chief may obligate funds in stages that are economically or programmatically viable to cover any potential cancellation or termination costs for a contract.

Not later than 30 days before entering into a multi-year stewardship contract or agreement that includes a cancellation ceiling in excess of \$25 million, but does not include proposed funding for the costs of cancelling the contract or agreement up to that cancellation ceiling, the Chief, as applicable, shall submit to the Committee on Energy and Natural Resources and the Committee

on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Natural Resources and the Committee on Agriculture of the House of Representatives a written notice that includes:

1. A description of the cancellation ceiling amounts proposed for each program year in the contract or agreement.
2. The reasons why the cancellation ceiling amounts described under paragraph 1 were selected.
3. A description of the extent to which the costs of contract cancellation are not included in the budget for the contract or agreement.
4. An assessment of the financial risk of not including budgeting for the costs of contract or agreement cancellation.

Not later than 14 days after the date on which written notice is provided (as described above), the Chief, as appropriate, shall transmit a copy of the notice to the Washington Office, Director, Office of Management and Budget.

62.13 - Service-Only Contracts

A service-only stewardship contract is used when there is no exchange of goods for services. Distinguishing features include use of retained receipts, bundling, as appropriate, and/or term lengths greater than five years. The work activities and supply purchases must be part of an approved stewardship project. Multiple year and multi-year contracts as described in sections 62.12a and 62.12b may be used for service-only stewardship contracts.

Assemble service-only stewardship contracts in the same manner as a regular service contract. If products need to be removed, use an IRTC, IRSC, or stewardship agreement. Service-only contracts cannot contain an embedded timber sale contract to remove products. Service-only contract information must be entered into the Corporate Data Warehouse (CDW) system for annual reporting. Projects resulting in additional accomplishments, such as treating non-native invasive species, completing prescribed burning, improving wildlife habitat, and so forth, need to be entered into CDW as required.

Solicitation requirements for a service-only contract are the same as a stewardship IRSC. If there are no goods but the use of retained receipts is needed, or a service contract is a method to implement part of an approved stewardship project proposal, then follow those requirements.

All service-only stewardship contracts are awarded in IAS.

62.14 - Stewardship Agreements

Stewardship agreements are used when both parties contribute resources to the accomplishment of mutually beneficial projects when mutual interest exists. Agreements must follow authorizing statute and agency-specific guidelines and partners must be non-profit. Stewardship agreements

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Chapter 60 - Stewardship Contracts and Agreements

Amendment: 2409.19-2022-3

Effective date: January 04, 2022

are typically entered into through a non-competitive process to meet the mutual interest and benefits of the Partner and agency, while accomplishing land management objectives. Stewardship agreements can be up to 20 years in length, as noted in section 62.3.

Stewardship agreements must be awarded after a best approach determination is made that considers both a technical and cost evaluation. Stewardship agreements typically include the exchange of goods for services, use of retained receipts, or a combination of both. Stewardship agreements must share mutual benefit and interest. See FSH 1509.11, ch. 70.

Stewardship agreements are expected to have a Partner match as described in FSH 1509.11, chapter 70. Unless otherwise stated, all requirements for stewardship contracts apply to agreements, such as bonding, financial accountability, and administration requirements. Additional direction for stewardship agreements is found in FSM 1580 and FSH 1509.11, chapter 70.

Section 62.14, exhibit 01 provides direction for determining whether a contract or agreement is the appropriate instrument for accomplishing resource objectives under stewardship authority.

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62.14 - Exhibit 01

Contract or Agreement Use Determination

Use the “Primary Test” and “Other Considerations” to determine whether the use of a contract or agreement best meets agency land management objectives. If in doubt, seek guidance from your agency Grants and Agreements Specialist or Contracting Officer.

Primary Test	Agreement	Contract
Is the project for the mutual interest and benefit of the parties? That is, does it advance the mission of the proposed not-for-profit Partner to achieve the Forest Service’s resource land management objectives for the National Forests and the objectives of the Partner that also meet local community needs? ^{1/}	Yes	No
Will the agency have substantial, ongoing involvement in the agreement activities?	Yes	No
Does the project encompass cost sharing principles?	Yes	No

^{1/} Parties may include nonprofit, for-profit, State, local government, educational, private individuals, and Tribal entities. For further direction regarding agreements, refer to FSH 1509.11, chapter 70.

Note: Agreements with for-profit entities and private individuals are allowed. Agreements with for-profit entities are allowable provided that minimum matching contributions are met, mutual interest(s)/benefit(s) are present (beyond a profit motive), and the entity is not allowed to profit. Any “overages” must be returned to the Forest Service in the form of retained receipts or additional service items completed.

Other considerations:

1. Is there potential for disputes due to the nature and complexity of the work? If yes, then contract may be best since no formal dispute resolution process exists for agreements.
2. Does project failure pose substantial risk to the agency, for example, non-accomplishment of specific mandated land management objectives? If yes, then contract may be best.
3. Will the project create significant financial risks for either party? If yes, project probably does not meet mutual benefits standard for agreements.
4. Will the project pose significant safety liability risks for either party? If yes, then a stewardship contract may be the best instrument as either party may terminate an agreement.
5. Is there competitive interest in the forest products? If yes, use of a competitively awarded contract instrument as part of the overall stewardship agreement package may be best (sec. 62.13.).

62.14a - Stewardship Agreements Involving Product Removal

Stewardship Agreements (FS-1500-21A) were developed for implementing stewardship projects with cooperators when the trade of goods for services or use of retained receipts is included for implementing stewardship projects. Consider the following when planning and preparing a stewardship agreement involving product removal:

1. Agreements executed under Stewardship Authority are treated as a contract in TIM and FPFS.
2. TIM is used for upward reporting and is mandatory; however, the TIM program does not create the agreement. See the TIM User Guide for more information related to inputting stewardship agreements into TIM.
3. The current Grants and Agreements system is used to develop the agreement. It is critical that the data in TIM, FPFS, and the Grants and Agreements system align. Review of this information should be part of the monitoring plan.
4. TIM information should be updated as soon as possible and follow the gate system as appropriate.
5. Stewardship agreements are identified in TIM and FPFS using the data field, “form type,” so the term “stewardship” is not required to be included in the agreement name.
6. Ensure Appendices F and G of the Stewardship Agreement include all appropriate and relevant specifications to be consistent with design measures, mitigations standards, and appropriate NEPA documents.

Agreements that include the sale of forest products must document consent of the approving official (sec. 60.4 - Responsibility) and the Cooperator that the best value approach is being used to accomplish included product removal. As a guideline, if there is competition, the product should be advertised for a minimum of 30 days or more, depending on the complexity of the project and familiarity of the partners and industry used for treatments. It is recommended that the Forest Service provide a minimum solicitation list of prospective bidders or provide an approved bidders list if there is expected or anticipated competitive interest in the products. The award date for a stewardship agreement is the date the Approving Official signs the agreement. Appropriate project tracking databases should be updated with modifications made to the final awards of product removals and treated acreage. The success of agreements is highly dependent on the interest, familiarity, and knowledge of the Forest Service Unit, Cooperator, and local industry/prospective offerors. It is incumbent upon the responsible Approving Official, Timber Sale Contracting Officer, and Cooperator to determine the best and most acceptable processes needed to ensure timeliness and success of the restoration work identified in the agreement.

62.14b - Best Approach Determination for Agreements

Before entering into a stewardship agreement with a particular entity, the Approving Official must make a best approach determination consistent with FSH 1509.11, chapter 70.

Documentation of the best approach determination must be maintained in the agreement record.

62.14c - Developing a Stewardship Agreement

Templates for stewardship agreements are available on the Grants and Agreements Forms and Templates website (<http://fsweb.wo.fs.fed.us/fm/stewardship/index.shtml>). Stewardship agreements must be used in accordance with applicable laws, regulations, and direction in this chapter and FSM 1580. In considering use of a stewardship agreement, consult the Grants and Agreements Specialist for guidance early in project development. Stewardship agreements must be used when exchanging goods (forest products) for services, utilizing retained receipts, or a combination of both while working within an approved stewardship project.

The following stewardship agreement forms are available for use:

1. FS-1500-21 Master Stewardship Agreement. An agreement, typically a Challenge Cost Share or Participating Agreement, executed between the Forest Service and a cooperator that establishes a framework for completion of separate but related projects. Master agreements may be national, regional, or local in scope.
2. FS-1500-21a Stewardship Agreement Supplemental Project Agreement (SPA). An instrument executed under the umbrella of a Master Agreement. A SPA is used for stewardship project work involving the exchange of goods for services under a master agreement.
3. FS-1500-21a Stewardship Agreement SPA (non-timber). This is used when no exchange of goods for services occurs.
4. FS-1500-21c Stewardship Agreement. This is a stand-alone agreement used when there isn't a master agreement (FS-1500-21) with SPAs (1500-21a).
5. FS-1500-21d Stewardship Agreement. This is a stand-alone agreement used for non-complex projects.

Funding for service work can be from a variety of sources including Forest Service appropriations, retained receipts, other Federal or State funds, or Cooperator funds.

62.2 - Bundling Activities in a Stewardship Contract

Stewardship contracts contain a variety of work items bundled into one contract. A Class Determination and Findings (D&F) was issued to allow bundling of work activities on all procurement stewardship contracts. The D&F is renewed periodically and is posted on the

Washington Office, Office of Procurement and Property Services stewardship contracting website.

62.3 - Stewardship Contract and Agreement Duration

Stewardship contracts and agreements are authorized to be up to 10 years in length. On areas where the majority of Federal lands are in Fire Regime Groups I, II, or III, duration may be up to 20 years when approved by the delegated official. Scope and scale of the project should drive contract type and length, and land managers must document the rationale for the duration of a contract or agreement in the project file. When planning a stewardship contract or agreement over 10 years in length, close coordination with the appropriate Forest Management or Office of Procurement and Property Services staff should occur early in the planning process to determine the appropriate contract or agreement form that will meet the needs of the project. The FS-2400-13 and FS-2400-13T contracts are not approved for use when the initial contract term is greater than 10 years.

62.4 - Using Retained Receipts Off of National Forest Lands Citing the Wyden Amendment

Stewardship agreements can be used to complete projects on private lands that result in the direct benefit to NFS lands. This can include the use of retained receipts as well as other funding sources used for stewardship agreements. Forests are to work with their Grants and Agreements Specialist to set up and implement stewardship agreements citing additional authority under Pub. L. 111-11, sec. 3001 (Wyden Amendment) per FSH 1509.11, sections 21 and 72.2.

62.5 - Contract Area Map, Treatment Area Boundaries and Product Designation

Map standards for stewardship projects with product removal should reference appropriate provisions or clauses and use map symbols consistent with the instructions in FSH 2409.18, chapter 50.

Boundaries of stewardship treatment areas in which commercial forest products will be removed must be designated in the same manner as a regular timber sale (FSH 2409.12, sec. 71.22). Follow the National paint scheme in FSH 2409.12, chapter 70 when designating trees and boundaries with paint. Ensure only authorized Forest Service tree marking paint is used by Forest Service personnel when marking trees or boundaries on the contract or agreement area. Marking cut or leave trees and boundaries as an operational convenience by Contractor and Partner with non-Forest Service tree marking paint must be approved by the Contracting Officer. Contractor and Partner marking of boundaries and trees with Forest Service tree marking paint may be authorized under an agreement or service-only stewardship contract, provided the Partner or Contractor is not directly or indirectly employed by the purchaser of the products (FSM 2441).

Boundaries of stewardship treatment areas in which commercial forest products will not be removed may be designated with flagging, paper or plastic signs, paint, discernable features, and geo-fencing, as deemed appropriate by the Contracting Officer.

62.6 - Appraisals and Cost Estimates for Stewardship Contracts and Agreements

The law authorizing the use of stewardship authorities requires that the value of products removed be determined using approved methods of appraisal. The law did not waive the requirement that products are to be offered at their fair market value. The appraisal will have a bearing on the type of contract used. If the timber appraises deficit, it has no value to trade for services and cannot be offered as an IRTC. If the timber appraises positive, it has value that can be traded for services. If that value exceeds the cost of mandatory services, an IRTC or agreement would be appropriate (sec. 62.1). If the positive value does not exceed the cost of mandatory services, the contract cannot be an IRTC; an IRSC or agreement would be appropriate (sec. 62.1).

Under a stewardship contract or agreement, it is necessary to determine what costs will be included as an appraisal allowance when determining the value of forest products that will be removed and what activities will earn stewardship credits. Ensure there will be no double accounting resulting from earning stewardship credits for work that is included in an appraisal allowance. For example:

1. Costs associated with opening and closing a road needed to access timber in an IRTC is included in the appraised rates for the timber. Stewardship credits would not be earned for this work.
2. Stewardship credits are earned for costs associated with opening and closing a road needed to access timber in an IRSC. Do not make an appraisal allowance for this work in the timber appraisal.
3. Stewardship credits may be earned for closing and rehabilitating a road not needed for timber removal under a stewardship contract or agreement. Do not make an appraisal allowance for this work in the timber appraisal.
4. Replacing an inadequate or damaged culvert on an NFS road used to remove timber will normally be an appraisal item with no associated stewardship credits. However, stewardship credits can be earned for replacing a functioning culvert on a road not being reconstructed to accommodate timber hauling with an arch pipe designed to improve fish habitat. In such a situation there would be no allowance in the timber appraisal as installing the arch culvert would be a service work item for which the Contractor will earn stewardship credits.

Refer to FSM 2420; FSH 2409.18, chapter 40; and Regional appraisal procedures for guidance when appraising forest products for a stewardship contract or agreement.

Estimated cost of service work must be computed using methods determined by the local Procurement Contracting Officer for the type of work being proposed (sec. 61.3).

An independent Government cost estimate for service work must be computed using a standard procurement practice. Government estimates for service work must not be publicized or

discussed with potential contractors (FAR 5.4), including the timber value appraisal for the IRSC. The timber value appraisal and estimated costs for specified roads may be released for an IRTC, but not the Government estimates for stewardship service work.

62.7 - Engineering Packages

During the planning process, a list of restoration projects will be prioritized and weighed against the potential amount of product value to be generated. Some of these projects may be road and trail-related work. Restoration projects on NFS roads when the restoration work is not necessary to remove included products are to be identified as mandatory or optional stewardship work items in the contract as determined in the planning process. Opening and closing roads needed for timber extraction are an appraisal item in an IRTC and either an appraisal item or service item, but not both, in an IRSC and agreement. Prepare a separate package of drawings, specifications, and schedules of restoration projects for each mandatory and optional work item in a manner similar to additive items on public works construction contracts. These restoration projects are work items listed in the contract for individual bids.

The following directions are applicable when preparing a road package for an IRTC:

1. Prepare road packages including construction, reconstruction, and maintenance in the same manner as commercial timber sales (FS-2400-6/6T). The FS-2400-13/13T Index of Approved WO Part C/CT Provisions lists approved provisions.
2. Deposits for Reconstruction Engineering Services (DRES) can be collected on an IRTC. This must be addressed in the appraisal and the applicable special DRES provision included in the contract.
3. If the time needed for Forest Service personnel to complete road packages will delay advertisement of the contract, engineering services can be performed by the Forest Service after the contract is awarded, as in a commercial timber sale.
4. Contracting the road design cannot be a stewardship work item. Road design falls under an Architecture and Engineering contract type which requires a special contracting procedure.
5. Typically, appropriated funds and stewardship retained receipts cannot be added to an IRTC, except in certain circumstances. Additional funds can be used in conjunction with an IRTC to build a road to a higher standard than needed to remove included products when the additional work is needed specifically to accomplish at least one of the seven land management goals for stewardship. Funds can also be used when there is an unexpected reduction in timber receipts necessary to cover planned service work. Using retained receipts rather than goods in this limited situation frees up the value of goods that can be applied to other stewardship work in that contract area. See FSH 2409.18, sections 31.2 and 53.64 for more information on this authority.

The following direction is applicable when preparing a road package for an IRSC or stewardship agreement:

1. Prepare a road package in the same manner as a regular service or construction contract.
2. Appropriated funding for roads (fund code CMRD) and trails (fund code CMTL) may be added to an IRSC or stewardship agreement to accomplish road and trail work, as well as using goods for services or retained receipts.

62.71 - Work Items Involving Road and Trail Construction and Maintenance

Some of the authorities, policy, and directions related to roads include the following:

1. National Forest System Roads. Plan and design transportation facilities for stewardship contracts in the same manner as for timber sales, according to FSM 2353, FSM 2432.34, FSM 7710, FSM 7721, and FSM 7732. When haul roads in an IRTC are built to a higher standard than needed for product removal, the additional work being accomplished to meet at least one of the seven land management goals of stewardship (such as installing an aquatic organism passage), the Forest Service pays for the additional cost with goods traded for services, appropriated funds, or retained receipts. When construction, reconstruction, or maintenance of roads necessary for product removal is a service work item in an IRSC or stewardship agreement, the Forest Service pays for the cost with goods traded for services, appropriated funds, or retained receipts. All roads and trails must have approved Road Management Objectives (RMOs) and Trail Management Objectives (TMOs) (FSM 7714). All direction regarding commensurate share and cost share applies. When construction, reconstruction, hauling, and/or maintenance is a service work item, commercial road use is not subject to cost recovery for items shown as service work.
2. Temporary Roads. Utilize temporary roads only for short-term, non-recurrent Contractor use. Do not plan or permit contractors to construct temporary roads in lieu of building specified roads needed for future management of the area (FSM 2432.34b).
3. Easements. Acquire the appropriate easement for the level of access needed (FSM 2431.8). A term easement or permit may be acquired after a transportation analysis report is prepared and subjected to the environmental analysis process, and the decision document indicates that the road will be a temporary facility not needed for future access to NFS lands (FSM 5461). Temporary easement to get the work done is permitted while Lands staff specialists are securing the permanent access.
4. Trails. Maintenance and construction on trails to ensure water quality. For example: trail bridges over bogs or wetlands.

Stewardship projects may include road and trail reconstruction or maintenance activities that are restorative in nature and meet one or more of the seven land management goals (sec. 61), such as road decommissioning (obliteration), measures to mitigate road-related sediment, preventive

measures for resource protection (for example, water bars on local roads), culvert replacement to accommodate fish passage, and so forth. When work that is not required for removal of forest products takes place on a specified road in an IRTC, it should be identified and appraised as a service work item. The degree of mitigation needed must be clearly specified in the decision document to distinguish what work is necessary for log haul (best management practices and resource protection) and what work is restorative in nature.

Coordinate with Engineering and Recreation staff to identify access issues, identify roads designated for motor vehicle use (36 CFR 212.56 and FSM 7716), determine the condition of the potential haul routes (including bridges and structures), and establish a framework for the engineering package to be included in the stewardship contract. The use of performance-based road maintenance specifications is encouraged in stewardship contracts.

Road work necessary for the removal of the timber is an appraisal item; other work (to meet one of the seven stewardship land management goals) should be considered as a service item.

62.72 - Road and Trail Work in an IRTC

The following directions are applicable for road and trail work items in an IRTC:

1. Mandatory and optional service work items not used for the removal of included products (FSH 2409.18, sec. 53.33) are to have separate road and trail design packages. For example, replacing a culvert on the haul route that meets current standards, but needs to be replaced with an open bottom arch to allow fish passage, would be a service work item not included in the road package used for the timber appraisal. List the project requirements as separate work items to allow the Contractor or Partner to bid on each work item separately.
2. Construction and reconstruction on the haul route necessary for hauling log products and biomass (chip vans) and road maintenance of the haul route due to log and biomass transport vehicles are to be costed and included in the timber appraisal as in a regular timber sale.
3. Trail construction and reconstruction, such as constructing a bog bridge across a wet area or wetlands to protect, enhance, or restore water quality and habitat for bog flora and fauna.

62.73 - Road and Trail Work in an IRSC and Stewardship Agreement

The following directions are applicable for road and trail work items in an IRSC and stewardship agreements:

1. Work on both permanent and temporary (non-specified) roads is considered road maintenance under an IRSC or agreement. Both can have an appraisal cost center commensurate with timber removal to determine feasibility. Work activities not

associated with forest products removal should either be paid for with appropriate funds, retained receipts, or identified as a credit earning activity.

2. When developing the Government estimate (IRSC) for the road and trail construction and reconstruction, use construction wage rates which are maintained through the Department of Labor.
3. All direction regarding commensurate share is applicable to stewardship contracts and agreements (FSM 7732), which includes a Road Use Permit (RUP) and either user-performed maintenance or deposits. In the case of contracts and agreements that result in commercial products, road maintenance is the responsibility of the awardee. The authority to waive road maintenance responsibilities remains with the Regional Forester and has not been re-delegated (FSM 7731.04).

62.8 - Development of Stewardship Project Activity Workplan

It is important that the activities identified in an approved Stewardship Project Proposal be managed through the life of the project to ensure that work that is scheduled to be undertaken is accomplished. The activities should be documented and address the improvement needs for the restoration of natural resources on forest lands identified in the environmental analysis of the proposed project area. All activities in the Stewardship Project Proposals will be entered and tracked through the database of record. See section 64.5 for information about tracking and managing project activities.

63 - Awarding Stewardship Contracts

63.1 - Awarding Stewardship Contracts on Best Value Basis

The Contracting Officer, or other designated source selection authority (for IRSCs and service-only contracts), awards all stewardship contracts on a best value basis, including consideration of criteria other than cost or price. The award decision is based on evaluation criteria that are tailored to the project and may be developed based partially on needs identified through the community collaboration phase. To the extent possible, projects and their specifications should be described in the contract in terms of the desired end result to allow offerors to provide technical proposals to utilize technology and techniques that provide the best value to the Government in terms of results and price. A Contracting Officer should advise the project lead on process and procedures for developing evaluation criteria and evaluating proposals to meet best value requirements.

Technical proposal evaluation is an assessment of the proposal and the Offeror's ability to perform the prospective contract successfully. As such, evaluation factors and significant sub-factors must represent the key areas of importance and emphasis to be considered in the award decision and support meaningful comparison and discrimination between and among competing proposals.

63.11 - Non-Price Evaluation Factors

Non-price evaluation factors must be evaluated independently of price or cost factors. Listed below are non-price evaluation factors for use in stewardship contracts. The order of, and requested information for, sub-factors may be tailored to the type of contract and project objectives. Other sub-factors specific to the project derived from NEPA or through collaboration may be added for evaluation.

In a contract over 10 years in duration, give a procurement preference to a Contractor that would, as part of the contract, promote an innovative use of forest products, including cross-laminated timber through the development of an evaluation factor.

1. Technical Approach. This factor evaluates the Offeror's understanding of the project according to the proposed plan to complete both timber harvest and stewardship project work.
 - a. Plan of Operations. Evaluates how the work will be completed to meet project objectives, project specifications, and timelines for completion.
 - b. Quality Control. Evaluates methods proposed to ensure completed work meets project requirements.
 - c. Equipment. Evaluates adequacy of equipment to be used to accomplish both harvest and stewardship activities.
 - d. Production Capability. Evaluates rates of production sufficient to meet project timelines.
2. Capability and Past Performance. This factor evaluates relevant experience and capability of the Offeror, key personnel, and proposed subcontractors.
 - a. Past Performance. Evaluates how well the Contractor has performed on previous contracts similar in nature to the current project, and considers relevant experience, work quality, customer satisfaction, timeliness, business relations, cost control, and/or other key concerns. Past performance on similar contracts on State or other federal lands may be considered.
 - b. Key Personnel. Evaluates the experience of key personnel who will be working on or managing the project.
 - c. Subcontractors. Evaluates the qualifications of subcontractors proposed for use in this contract and the work activities planned for subcontracting. Describes subcontractor's past performance and any relevant certifications.
3. Benefits to Local Community. This factor evaluates the socio-economic benefits provided to the local community defined for the project that would result from the Contractor receiving the award. The Government will consider how direct and

measurable the benefits will be, such as the number and types of jobs created for local employment. The relative importance of this factor must take into consideration any specific benefits requested by the Government for evaluation.

Local Line Officers make the determination of local community considering consultation with appropriate sources. Unit Procurement and Property Services staffs routinely define local for procurement purposes using the FAR as a guide and, therefore can assist in determining the definition for stewardship contracting projects during the early stages of project development. Feedback from collaboration should also be considered in the determination of local community.

Each of the 3 factors above should be used to evaluate the Offeror's technical proposal to accomplish the stewardship projects and timber removal work as specified in the sample contract or request for technical proposal. Evaluation factors may not be applied to specifications not included in the sample contract or proposal.

63.12 - Price-Related Criteria

A confidential Government estimate is made for each mandatory and optional work item in the contract, including the appraisal of the forest products. When evaluating price-related criteria, consider separately the offer for the forest products and the offer for the service work items. Then combine the two to determine the amount of appropriated or other funds needed in the IRSC, or the expected amount of residual receipts generated from the IRTC.

63.13 - Solicitation of Proposals and Offers

For all stewardship contracts, the solicitation must clearly describe all the evaluation factors and sub-factors that will be used as the basis for award. For IRTCs and stewardship agreements, the Forest Service timber sale contract bidders list must be used to solicit offers unless the Regional Forester has approved the adoption of alternative methods. Advertising and soliciting offers for IRTCs include the use of a prospectus and the Solicitation and Offer for Integrated Resource Contract forms (FS-2400-14bv (preferred) and FS-2400-14bvu).

The instructions must identify the relative importance of each factor and sub-factor, as well as their relationship to price. For example, technical evaluation criteria may be listed in order of importance or described as approximately equal. Price must be either significantly more important, significantly less important, or approximately equal to all technical factors combined. In most cases, cost or price should be at least as important as the combined weight of the technical factors.

63.14 - Evaluation of Technical Proposals

Technical proposals are to be evaluated independently of one another using the evaluation factors identified in the instructions to offerors or as identified in the IRTC prospectus evaluation criteria. Evaluation of the technical proposal should include the appropriate resource and operation specialists with knowledge of the work to be completed to be able to adequately assess specific details of the Offeror's proposal. FAR part 15 describes the tradeoff process for

evaluating proposals under best value methods including considering both lowest price technically acceptable (LPTA) and highest price technically acceptable (HPTA).

63.15 - Notification to Unsuccessful Offerors

The Contracting Officer provides notification to offerors whose proposal was in the competitive range but was not selected for award. Notification requirements are outlined in FAR 15.503. Upon request, and within three days of notification that the contract was awarded, the unsuccessful offerors may request a post-award debriefing and be provided information on the basis for the selection decision and contract award (FAR 15.506).

63.16 - Contractor Selection

The Contracting Officer considers the use of nontraditional contractors, such as counties, private persons, or other private entities when awarding a stewardship contract. The following must not be considered in determining best value for the Government:

1. Direct and indirect monetary contributions to the local community or collaborative group.
2. Other financial arrangements and/or inducements in support of:
 - a. Collaboration,
 - b. Project-level monitoring,
 - c. Paying for a non-profit to manage application process for use of retained receipts, or
 - d. Other activities that do not accomplish project treatments included in a proposal.

For both IRSCs and IRTCs, the Contracting Officer or other designated source selection authority must document their decision as outlined in FAR 15.308 before awarding the contract. The documented decision is subject to FAR 15.506 and FAR 24.202.

Contracting officers, program managers, and Grants and Agreements specialists should be familiar with ethics-related laws, regulations, and directives, including, but not limited to Conflict of Interest, Federal Criminal Conflict of Interest, and the Standards of Ethical Conduct for Employees of the Executive Branch. See the USDA Ethics web site for links to additional ethics-related resources. Ethical determinations from departmental or ethics officials should be obtained in a timely manner, documented, and retained in the stewardship project files.

63.17 - Less Than Full and Open Competition

When anything less than full and open competition is used for Contractor selection, the Forest Supervisor must document and submit to the Regional Forester the rationale for the selection process used. The documentation submitted must include the level of competition to be used in the contracting process. Documentation of the level of competition must address all appropriate considerations pursuant to the FAR found in 48 CFR parts 6 and 19. See section 60.42 for

responsibilities associated with less than full competition and section 61 on Planning Stewardship Contracts for more information.

63.18 - Contractor Capabilities

Review the Contractor's financial and logistical capabilities to fund and complete the contract as part of a best value determination. Under IRSC, Contractors with no or limited experience contracting with the Government or completing required work may be required to provide a performance bond to protect the interests of the Government. Other acquisition-related requirements for Contractor capabilities can be found in FAR part 28.

Prior to being awarded an IRTC, offerors must meet the responsibility requirements of 36 CFR 223.101 for the determination of purchaser responsibility. Following the evaluation of proposals, the Timber Sale Contracting Officer must confirm that the apparent best value bidder is also responsible under this regulation before awarding the contract. For more information see FSM 2432.62, FSH 2409.18, section 72 and the FAR, currently found in 48 CFR parts 6 and 19.

63.19 - Releasing Information Related to Awarded Contracts and Agreements

FAR 15.506 provides direction related to the release of information on all stewardship contracts and agreements.

1. Information which may be prohibited from disclosure or exempt from release under the Freedom of Information Act includes:
 - a. Trade secrets.
 - b. Privileged or confidential manufacturing processes and techniques.
 - c. Commercial and financial information that is privileged or confidential, including cost breakdowns, profit, indirect cost rates, and similar information.
 - d. The names of individuals providing reference information about an Offeror's past performance.
2. FAR 24.202 Prohibitions, adds the following to the list of information prohibited from disclosure:
 - a. A proposal in the possession or control of the Government, submitted in response to a competitive solicitation that is not
 - b. A dispute resolution communication that is between a neutral person and a party to alternative dispute resolution proceedings,
3. Other information release requirements:

- a. The report side of the form FS-2400-17 is to list only the name of the Contractor awarded the contract and the amount of the timber value to be exchanged or paid for.
- b. The awarded contract can be released, excluding the information contained in items 1 and 2 above in accordance with the Freedom of Information Act.
- c. In accordance with FAR part 15, subpart 15.5, the following information is releasable after contract award: the number of offerors solicited, the number of proposals received, the name and address of each Offeror receiving an award, and the dollar amount of the award.

63.2 - Time Limits in Awarding Stewardship Contracts

Contracting officers schedule evaluation of offers so that contracts can be awarded as described in Item #20 of the Best value offer forms (FS-2400-14-BV and FS-2400-14BVU). Turn back roads and financial review of contractors, when needed, can result in awards being made 90 days or more from the date offers were received. Contracting officers monitor the award process and should take action to prevent prolonged delays.

64 - Administering Stewardship Contracts and Agreements

In accordance with NFMA and the FAR, found in 48 CFR and OMB circulars (as guidelines for stewardship agreements), the Forest Service maintains authority over all phases of development and implementation of stewardship contracts and agreements. The assigned Contracting Officer maintains Federal agency control and oversight of operations to ensure the protection of public assets and compliance with environmental requirements. Individuals assigned to contract or agreement administration teams for stewardship contracts or agreements implement and enforce contract or agreement terms, acting within their individual delegated authority. Agreements are generally dynamic and flexible, with all parties collaborating throughout the process.

64.1- Advance Deposit Requirements and Billing Deferral

Timber and forest products must be paid for in advance of cutting unless the contract authorizes a payment guarantee acceptable to the Forest Service (36 CFR 223.34). Advance payment requirements can be met in stewardship contracts and agreements with cash, earned stewardship credits or payment bond (FSH 6509.11k, ch. 80 - Bonding Administration).

Under stewardship, where the product is to be exchanged for services, payment bond may also be used to defer billing for material cut and removed when there are non-monetary credits to be earned that will cover the stumpage charges. To the extent that payment bond is provided, charges for the stumpage value of products removed from the contract area may be deferred up to the lesser of the amount of non-monetary stewardship credits remaining to be earned and available payment bond.

Forest Service Handbook 2409.19 – Renewable Resources Handbook
Chapter 60 - Stewardship Contracts and Agreements
Amendment: 2409.19-2022-3
Effective date: January 04, 2022

When Stewardship Contract Billing Deferral is selected by the user in FPFS, the calculation and deferral of stumpage charges is automated and reported on the statement. See the FPFS User Guide for more information.

64.2 - Contracting Officers for Stewardship Contracting Projects

Regional Foresters designate either a Procurement Contracting Officer or a Timber Sale Contracting Officer for stewardship contracts and agreements consistent with the type of instrument as follows:

Contract Type	Type of Contracting Officer
Integrated Resource Service Contract (IRSC) - SF-33 Construction	Procurement
Integrated Resource Service Contract (IRSC) - SF-1449 Commercial Services	Procurement
Integrated Resource Timber Contract (IRTC) - FS-2400-13T Tree Measurement	Timber Sale
Integrated Resource Timber Contract (IRTC) - FS-2400-13 Scaled	Timber Sale
Service-Only Contract	Procurement
Stewardship Agreement with Product Removal	Timber Sale ^{1/}

^{1/} Grants and Agreements Specialist is also assigned.

The Regional Forester delegates to a named Procurement Contracting Officer (FSM 2404.26) the authority to sell and dispose of forest products contained in a stewardship project.

64.21 - Contracting Officer and Grants and Agreements Specialist Qualifications

Contracting officers and Grants and Agreements specialists must complete at least 24 hours of training in stewardship contracts and agreements prior to being delegated as a Contracting Officer or assigned as a Grants and Agreements Specialist on a stewardship contract or agreement. Training must include National, Regional, or Forest-sponsored stewardship sessions and hands-on training that includes, at a minimum:

1. Contract/Agreements administration or oversight (award through closeout);
2. Planning a stewardship project including principles of collaboration, FACA and Freedom of Information Act (FOIA) (5 U.S.C. 552);

3. Forest Restoration Best Tool Decision Tree overview (FSM 2432.32) including appropriate/inappropriate uses of stewardship;
4. Best value/best approach source selection, including Best Interests of Government determination (36 CFR 223.301);
5. Financial management for stewardship contracts and agreements, including proper use of retained receipts; and
6. Cooperative and Participating Agreement authorities (no additional training is required for qualified Grants and Agreements specialists).

Grants and Agreements specialists managing stewardship agreements must meet all the training and qualification requirements described in FSM 1580 and FSH 1509.11, chapters 10, 70, and 80.

64.3 - Contract and Agreement Administration Teams

Each stewardship contract or agreement must be signed by the appropriate delegated Contracting Officer, Grants and Agreements Specialist, or Line Officer (sec. 60.3). It is the responsibility of the Regional Forester to delegate stewardship contracting authority to qualified individuals (secs. 60.42a and 64.2). It is the responsibility of the delegated Contracting Officer (in coordination with the Grants and Agreements Specialist for stewardship contracts and agreements) to delegate the responsibilities for these specific contracts and agreements to the following personnel:

1. Integrated Resource Service Contract.
 - a. Timber Sale Contracting Officer as a consultant to the Procurement Contracting Officer.
 - b. Contracting Officer Representative (COR). The COR for timber harvesting and product removal activities must be a certified Timber Sale Administrator (FSM 2452.4). If not qualified as a COR, the Contracting Officer will designate an inspector (Government Technical Monitor) who is a certified Timber Sale Administrator to oversee harvesting and product removal.
 - c. Contracting Officer's Representative for Public Works Construction (COR-PW). The COR-PW must meet the minimum requirements found in FSH 7109.17.
 - d. Engineering Representative (ER) (FSH 7109.17), as needed.
 - e. Inspectors as needed (harvest, engineering, wildlife, fuels, and so forth).
 - f. Forest Products Resource Specialist (FPRS).
 - g. Procurement Technician.
2. Integrated Resource Timber Contract (FSH 2409.15).

- a. Procurement Contracting Officer (CO) as a consultant to the Timber Sale CO.
 - b. Forest Service Representative (FSR).
 - c. Certified Sale Administrator (SA).
 - d. Engineering Representative (ER), as needed.
 - e. Inspectors as appropriate (harvest, engineering, wildlife, fuels, and so forth).
 - f. Forest Products Resource Specialist (FPRS).
3. Stewardship Agreements (including forest product removal).
- a. Timber Sale CO.
 - b. FSR.
 - c. Certified SA.
 - d. Program Manager.
 - e. ER, as needed.
 - f. Inspectors as appropriate (harvest, engineering, wildlife, fuels, and so forth).
 - g. FPRS.

64.4 - Law Enforcement Coordination

Upon observing or learning about undesignated timber or forest products being cut or removed, individuals with responsibilities for administering stewardship contracts and agreements are responsible for following protocols for notifying Law Enforcement personnel in accordance with FSH 2409.15, section 13.42 and applicable Regional Timber Theft Prevention Plans. Law Enforcement personnel are responsible for coordinating investigations and reporting the results (FSM 2433.04).

64.5 - Tracking Project Work Progress

All projects must be tracked through the authorized financial and program systems to allow for project management and transparency of activities performed during the life of project. Tracking of funds and project status are essential in managing the program, allowing for monitoring the progress of individual projects, as well as identification of available retained receipts for other projects.

64.51 - Tracking Contract Progress

Forest Service stewardship progress reporting spreadsheets are used to track monthly work progress for all services. These spreadsheets are intended for use with all stewardship contracts and agreements except service-only contracts.

1. Services or construction work traded for goods are tracked in the Progress Report for Stewardship Non-Monetary Credits (PRSNMC). Service work items paid for with appropriated funds or retained receipts are tracked using the Progress Report for Stewardship Cash Credits (PRSCC).
2. The spreadsheets are available on the Washington Office, Forest Management stewardship contracting website.

Spreadsheets are set up at time of award. For an IRSC or agreement, the obligating official identifies the separation of non-monetary and cash credits. Post award, a contract or agreement may be modified requiring changes to separation of credits. While operating, the work accomplishment must be reported monthly and approved by the Contracting Officer or delegated official. Progress reports are the source document for FPFS financial transactions which generate accruals for the agency's core financial system. Refer to section 66.4 for details on reporting in FPFS.

64.52 - Timber Information Manager (TIM)

The Timber Information Manager (TIM) application is the mandatory data entry point and repository for managing the Forest Management upward reporting elements and feeds information to the financial systems (FPFS and Financial Management Modernization Initiative (FMMI)). All FS-2400-13/13T contracts must be prepared in TIM.

Following the timber sale preparation gate system, required data is entered and locked at each gate. The responsible Line Officer approves the work completed in each gate by signing the TIM-generated certification form for Gates 1-4. This authority cannot be re-delegated. The Contracting Officer signs the TIM-generated certification form for Gate 5, which produces the FS-2400-17 Report.

TIM does not produce the IRSC or Stewardship Agreement. Required information for Gates 1-6 must be entered to provide accurate upward reporting. IRSC and agreement data must be entered in TIM before the notice to proceed. For IRTCs or IRSCs, accomplishment is reported when the contract is awarded. For agreements, accomplishment is reported upon execution of the agreement. For IDIQ contracts or long-term agreements where future volume is yet to be estimated, accomplishment is reported when task orders are executed, or agreements are modified to include additional volume.

TIM user support documentation is found on the NRM TIM website.

64.53 - Project Activity Tracking

All stewardship activities, including optional activities, must be tracked through the database of record. As activities are completed, reprioritized, or cancelled, they will be reviewed on a regular basis to ensure that the status of current activities, planned activities and accomplishments are reported accurately. Tracking unfunded activities in the database of record aids in the annual review of stewardship project proposals and the preparation of the annual fund code SSCC balance report.

65 - Funding for Stewardship Contracts and Agreements

Document the rationale used for identifying the source of funding in the project workplan and include the budget line items available for use, which were selected, and the rationale for the funding decision. During actual project implementation, any service work item costs for IRSCs, service-only stewardship contracts, and stewardship agreements that are not offset by forest products should be funded by the work financing principle of the work activity. Forest Service policy prohibits adding funds to an IRTC except for improving haul roads to a higher standard than needed for timber removal, or as specifically provided under the contract (sec. 60.3). Exceptions to this policy must be approved by the Regional Forester.

Additional funds for projects may be obtained from partners, other agencies, and local donations. Contributed funds must be processed and tracked in accordance with FSH 6509.11g - Service-wide Appropriation Use Handbook. These additional funds should be used for project implementation activities. FSH 6509.11g includes direction regarding the treasury symbol and how it is applied to stewardship contracting. Time-limited appropriation regulations are applicable to appropriated funds as well as some Partner funding contributions.

When road, trail, or facility maintenance, construction, or reconstruction is included in a stewardship contract, these items must be expensed, not capitalized (FSH 6509.11k).

65.1 - Excess Stewardship Credits

Excess stewardship credits occur when the cost of the stewardship work exceeds the value of the timber and must be paid for by adding timber to the contract or through cash payments to the Contractor. See definition of stewardship credits in section 60.5.

For an IRTC, provision B/BT4.52 authorizes cash payments for excess stewardship credits. However, excess credits should only happen in special circumstances where the anticipated timber receipts fall short of paying for the planned service work. In other words, Contracting Officers are not authorized to obligate appropriated funds or use retained receipts to pay for service work in an IRTC except where the anticipated timber receipts fall short of paying for the planned service work. Loss of timber value may occur for reasons such as catastrophic damage to included timber, stumpage rate adjustments, rate redeterminations, or a scale sale undercutting. Contracting Officers shall not authorize optional stewardship work in an IRTC if there is insufficient remaining timber value to cover the cost of the optional work. Furthermore, additional stewardship work not identified when a contract was awarded should not be added to

an existing contract. Stewardship funds cannot be used to pay for new service work identified after contract award. In such case, a new service contract must be used.

66 - Revenues from Stewardship Contracting

The primary intention for stewardship work is to produce restoration outcomes on the ground, while also supporting the needs of local and rural communities. Therefore, revenue derived from the sale of products is not an objective for stewardship contracting or agreements. In accordance with 16 U.S.C. 6591c(e)(3)(A), the value of services received, payments made, or resources provided under a stewardship contract or agreement must not be considered to be monies received from the NFS for the purpose of calculating payments to States (FSH 6509.11g, sec. 61.1). Therefore, stewardship contracts and agreements do not require a minimum deposit to the National Forest Fund (NFF), as prescribed in FSM 2431.31 and FSH 2409.18, chapter 40.

If revenue is derived from stewardship projects, then product stumpage value derived from any stewardship contract or agreement will be distributed as follows:

1. Exchange of goods for services.
2. Outstanding liabilities for canceled contracts or agreements.
3. Remaining receipts are considered retained receipts and should be deposited into SSCC. Funds in SSCC are to be used solely to fund additional approved stewardship projects.

66.1 - Residual Receipts

During operations, forest products removed in excess of established stewardship credits must be charged to cash. Those cash stumpage receipts are deposited to the treasury suspense account fund code, SDNG. This is a mandatory, automatic, distribution and cannot be modified in NRM, TIM, or FPFS. As relevant stewardship projects are accepted with non-monetary stewardship credits reported earned in FPFS, the stumpage charges are converted from cash to credit. The cash is automatically transferred from SDNG to the Timber Sale Deposit Fund (TSDF) and returned to the Contractor's account. When all non-monetary credits have been earned, any cash remaining in suspense is then retained and manually transferred to the Stewardship Contract fund (SSCC). The manual transfer between SDNG and SSCC is entered in FPFS upon the CO's documented approval. Once deposited to SSCC, these funds can be utilized as explained in section 66.2.

Adjusting residual receipts from the stewardship suspense account (SDNGSC) can be approved by the Contracting Officer at any time it is determined that no further services are to be added.

66.2 - Retained Receipts (SSCC)

Retained receipts (SSCC), as defined in section 60.5, are authorized for use in development, preparation, and implementation of stewardship projects, including associated salary, supplies,

and other expenses. Retained receipts may be used to fund force account activities, in lieu of contracts, where Forest Service is the only or most logical source for carrying out the activity.

Examples of authorized activities include:

1. Survival and stocking surveys.
2. Certification exams.
3. Prescribed burning.
4. Administration of stewardship contract or agreement.
5. Post-decision surveys, such as archeological or biological surveys necessary to implement project.

Retained receipts are not to be used for:

1. Forest Service overhead.
2. Forest Service administrative costs.
3. Forest Service indirect costs.
4. Completion of environmental research.
5. Purchase of durable goods and property, such as Relaskops, chainsaws, data recorders, or ATVs.

Retained receipts may also be used for:

1. Another stewardship project in the same project area, applied to the succeeding contract or agreement.
2. Another approved stewardship project outside the initial project area if such use is identified in advance, made known to interested parties, and approved in advance by the Regional Forester, or Forest Supervisor if delegated. Retained receipts are typically used on the same administrative unit in which they were generated but can be used across multiple Forests if a stewardship project is designed that way.
3. In the event of a default by the Contractor, receipts previously paid by the Contractor and deposited into the suspense fund code SDNG can be used to complete required restoration work items. Funds in SDNG cannot be obligated or expended. Funds must first be transferred to the SSCC fund code, which is generally a contract-specific Cooperative Work (CWF2) account.
4. Funding for National multi-party programmatic-level and project-level implementation or effectiveness monitoring includes:

- a. Implementation and effectiveness monitoring that consists of tracking details of project process and accomplishments.
 - (1) This is comprised of such items such as project names, locations, work activities, schedule, responsible officials, partnership participation, and budget.
 - (2) Specific accomplishments, such as treated acres and environmental conditions immediately after the project work has been completed.
 - (3) Environmental monitoring that is not specifically focused on stewardship project implementation or effectiveness should be funded by sources other than from retained receipts unless monitoring occurs within the framework of land management plan monitoring.
 - b. Retained receipts may then defray the direct costs of multi-party project monitoring and support the collaborative process by paying for facilitation, meeting rooms, travel, and minor amounts of incidental expenses.
 - c. Forest Supervisors must review monitoring activities and determine the appropriate levels of use of retained receipts and appropriated funds in support of project-level monitoring.
 - d. Regional Foresters, or the Forest Supervisor, if delegated, shall approve the appropriate use of retained receipts for project-level monitoring.
5. Supply purchases include consumable materials in quantities appropriate for the bona fide need of the approved project. Appropriate supplies include consumable materials such as:
- a. Paint,
 - b. Flagging,
 - c. Stakes,
 - d. Ignition materials, and
 - e. Herbicides.

66.21 - Annual Review of Retained Receipts Balance

Annually, each Regional Forester prepares an analysis of the receipts and expenditures from SSCC in conjunction with the annual review of trust fund balances. Regional Offices provide a Regional balance analysis summarizing the individual analyses provided by each Forest. This analysis is due to the Washington Office by the date provided in the year-end reporting schedule.

66.3 - Other Permanent and Trust Funds

To ensure stewardship contracts and agreements that include timber removal provide regeneration following timber harvest, as required by NFMA, it is recommended that identified reforestation needs on the contract or agreement be funded as service items to the contract/agreement or by retained receipts to the extent appropriate. Consider required reforestation activities in the establishment of the stewardship project proposal and throughout the contract/agreement development process to ensure that needed work is approved and accomplished as a stewardship project work item.

Stewardship contracting residual receipts must be directed only to retained receipts (SSCC). Do not direct receipts to Knutson-Vandenberg (K-V), Salvage Sale (SSF), Timber Pipeline, or other stumpage accounts. If funds from these accounts are used to prepare or develop stewardship contracts or agreements, the expenditures will not be recouped from stewardship residual receipts.

All stewardship contracts and agreements may have cash deposits collected for work to be performed by the Forest Service such as contract scaling, recurrent and deferred road maintenance, cost share roads, and erosion control. The deposits are made to the relevant Cooperative Work-Other Funds (CWF2) account. Brush disposal (BD) can also be collected commensurate with an approved plan. Some reasons for not requiring the Contractor or Partner to perform certain work include recurrent and deferred road maintenance where the Contractor's or Partner's commensurate share is insufficient to warrant a work item, and activities such as burning slash where the risk associated with the required work could prevent the Contractor or Partner from obtaining insurance or bonding. Additional required deposits and accounting may be added for late fees and liquidated damages. See HFRA, Section 604 (16 U.S.C. 6591c) of Pub. L. 108-148, paragraph (f) for authority to collect funds for brush disposal and cooperative work using the following:

1. Brush Disposal (BD) Funds (Brush Disposal Act of 1916 (16 U.S.C. 490) and Granger-Thye Act of 1950 (16 U.S.C. 572). Make collections for BD in accordance with instructions in FSH 2409.19, chapter 40.
2. Cooperative Work - Other (31 U.S.C. 1321). Make collections for cooperative work in accordance with FSH 6509.11g, section 71.2. Cooperative work may include road maintenance, surface replacement, erosion control, and contract scaling.

66.4 - Forest Products Financial System

Stewardship contracts and agreements with product removal must be reported in FPFS. Much of the contract or agreement data needed for the FPFS system to perform its prescribed functions is obtained by direct interface with the TIM system. This includes the total cost of mandatory stewardship projects in IRTCs or work items in IRSCs and agreements, which is transferred to FPFS as the non-monetary credit limit. With an IRSC or agreement, at time of award, the obligating official determines work items to be paid for with product value (non-monetary

credits) and work items to be paid for with Federal funds (cash credits). FPFS requires adjusting the non-monetary limit to match the break-out determined by the obligating official.

FPFS provides:

1. Reporting progress of stewardship projects and work items and the values of goods and services associated with stewardship contracts and agreements.
2. Reporting estimated volume changes, quantities removed, and charges to cash and/or credits.
3. A monthly Statement of Account (FPFS_1.1.F) and FMMI billing invoice, as needed.
4. Determining excess cash due to converting stumpage previously charged to cash to earned non-monetary credits.
5. Accounting adjustment to transfer residual receipts from suspense funds (SDNGSC) to retained receipts (SSCC).
6. Billing deferral under B/BT4.215 - Deposits When Payment Guaranteed.
7. Interfacing required stewardship accounting data (Budget Voucher (BV), Standard Voucher (SV), and Billing) with FMMI.
8. Interfacing cut volumes and values with TIM for National Cut and Sold report.

At the FPFS Support SharePoint, see FPFS User Guide, section 3.5 - Stewardship for complete instructions.

67 - Monitoring and Reporting Activities for Stewardship Contracting and Stewardship Agreements

Monitoring and reporting are important aspects of stewardship contracts and agreements. Project-level monitoring and reporting are essential to the success of local programs and contribute to service-wide monitoring and reporting requirements. Under the permanent stewardship authority (16 U.S.C. 6591c), the agency is required to complete programmatic monitoring and provide an annual report to Congress.

67.1 - Programmatic-Level Multi-party Process Monitoring

The focus of multi-party monitoring in accordance with the permanent stewardship authority (16 U.S.C. 6591c) is programmatic monitoring of collaboration and the role of local communities in stewardship projects. The Washington Office, Director, Forest Management staff, coordinates National programmatic process monitoring on the role of local communities and other external stakeholders in the development of stewardship contracts and agreements. Each year,

information must be obtained from a sample of active stewardship projects. Programmatic-level multi-party process monitoring at the national level may be funded with retained receipts.

67.2 - Project-Level Multi-party Process Monitoring

National Forests may complete project-level multi-party implementation and effectiveness monitoring to evaluate the effectiveness of collaboration. Such monitoring may be funded with retained receipts as outlined in section 66.2.

67.3 - Environmental Monitoring and Accomplishment Reporting

Conduct programmatic-level or project-level implementation and effectiveness monitoring, as appropriate or required. In this context, implementation and effectiveness monitoring consists of tracking details of project process and accomplishments such as:

1. Project names,
2. Locations,
3. Work activities,
4. Progress schedule,
5. Responsible officials,
6. Partnership participation,
7. Budget, and
8. Specific accomplishments, including treated acres and environmental conditions immediately after the project work has been completed.

In contrast, environmental monitoring that is not specifically focused on stewardship project implementation or effectiveness should occur within the framework of land management plan monitoring, and therefore be funded by sources other than from retained receipts (sec. 66.2).

Report accomplishments from implementation of stewardship projects according to instructions issued by the Washington Office, Director, Forest Management.

67.4 - Annual Review of Stewardship Project Proposals

For the annual Forest review of stewardship projects, consider the available fund balance, the anticipated retained receipts collections on existing sales, and the estimated cost of remaining eligible work within existing project areas.

The Stewardship Project Proposal should be reviewed at least annually by the approving Line Officer prior to the annual SSCC balance analysis and revised as necessary. Additional reviews

and revisions may be necessary if significant changes in the project proposal warrant any amendments.

Any of the following conditions on a stewardship contract or agreement must necessitate a review and possible amendment to the stewardship project proposal plan:

1. The stumpage rates are re-determined or escalated (FSM 2431.34).
2. The contract or agreement is extended.
3. The priorities or activities change.
4. There is unfunded work on the stewardship project proposal, and there are now receipts available to fund additional work.

The purpose of this review is to ensure that all stewardship projects, along with collection and expenditure of retained receipts have been approved by the Regional Forester, or Forest Supervisor (if delegated).

Stewardship project proposals are part of the interdisciplinary process and, therefore, must be reviewed by the specialists and staff from all concerned resource areas. The Regional Forester or Forest Supervisor (if delegated) is responsible for reviewing and approving an amended Stewardship project proposal.

67.5 - Annual Report to Congress

In accordance with 16 U.S.C. 6591c(j) - Reporting, the agency's annual stewardship contracting report to Congress shall include:

1. The status of development, execution, and administration of contracts or agreements;
2. The specific accomplishments that have resulted; and
3. The role of local communities in the development of contract or agreement plans.

The Washington Office, Director, Forest Management uses information from the programmatic multi-party process monitoring report (sec. 67.1) and from internal accomplishment reporting (sec. 67.5) to prepare a report to Congress for approval by the Chief of the Forest Service. The report must respond to the three reporting items identified above.

The Chief shall submit an annual report to the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Natural Resources and the Committee on Agriculture of the House of Representatives on the three items specified above. In this report, the Chief also must include the contributions of stewardship projects to performance and workload measures consistent with the Government Performance and Results Act.

67.6 - Stewardship Contracts and Agreements Accomplishments Reporting

District Rangers support national accomplishment reporting by completing information for each project at the time of project initiation and annually updating this information in the Forest Activities Tracking System (FACTS) database and/or other systems of record. Instructions are issued annually by the Washington Office, Director, Forest Management. Regional Foresters ensure accomplishment reports are completed and updated annually.