2005 STEWARDSHIP CONTRACTING ROUNDTABLE

Forest Service Region 6

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Hosted and Produced by the National Forest Foundation
In Partnership with Sustainable Northwest

NATIONAL FOREST FOUNDATION

Sustainable Northwest

PURPOSE OF THE 2005 STEWARDSHIP CONTRACTING ROUNDTABLE

Stewardship contracting authorities first authorized in Section 347 of FY1999 Omnibus Appropriations Act (P.L. 105-277) and recently authorized for ten years in Section 323 of P.L. 108-7, the 2003 Consolidated Appropriations Resolution. They were applied agency-wide for the first time in 2004 on a ten-year basis after having gone through several years of pilot projects. There are now 45 stewardship projects underway in Region 6.

The Forest Service leadership in Region 6 has made stewardship contracting a top priority. The Stewardship Contracting Roundtable Series was commissioned by Region 6 leadership to fine-tune the Region's approach to stewardship project development and implementation. The purpose of the 2005 Roundtable on Stewardship Contracting was to assess how stewardship projects are being developed and implemented, and to identify barriers and possible solutions to ensure that stewardship authorities in Region 6 are as effective as possible at meeting ecological, community, and administrative objectives.

To meet these needs, the National Forest Foundation (NFF) convened a series of Roundtable discussions to dissect challenges facing the implementation of stewardship authorities and identify where projects have overcome those challenges. The Roundtable series was hosted by the NFF in partnership with Sustainable Northwest and supported by a region-wide group of technical advisors. Funding for the Roundtable series was provided by the Region 6 Office of the Forest Service.

The 2005 Stewardship Contracting Roundtable provided a timely opportunity to discover how stewardship project authorities and the systems necessary for their success are perceived and utilized by those people designing and implementing stewardship projects around the Region. The Roundtable Series collected an unprecedented amount of first-hand knowledge about what is working and what is not working in stewardship. This report is a compilation and assessment of input from Forest Service staff, community leaders, environmental advocacy and industry representatives actively involved in stewardship projects. These results should be regarded as a collection of situations and conditions specific to certain circumstances that may be transcribed throughout the Region and even country.

Process

Telephone interviews were conducted as the first step in the Roundtable Series, to identify broad issues and challenges to stewardship contracting and orient the Roundtable agenda. The first Roundtable event was held in June, 2005 (Bend, Oregon). Four issue papers were written, focusing key topics that emerged from these processes: collaboration, project design, project funding and monitoring. The final two Roundtables were held in October, 2005 (Wenatchee, Washington, and Corvallis, Oregon).

Each Roundtable event brought together a diverse group of stakeholders, all with direct experience in stewardship contracting within the National Forest System. Contractors, community and environmental stakeholders and Forest Service staff participated. A total of 95 participants took part in the Roundtable Series.

Analysis of the Roundtable process was finalized in November and December 2005, resulting in this report, which is being shared with Forest Service Region 6 leadership, all Roundtable participants, and others interested in the success of the stewardship authorities.

The Forest Service Region 6 Office has committed to respond to this report in a timely way, indicating how it will respond to a number of issues raised and recommendations made herein. This forthcoming response will also be shared with Roundtable participants.

Technical Advisors & Acknowledgements

The 2005 Stewardship Contracting Roundtable Series was initiated by assembling a group of experienced stewardship contracting practitioners. These Technical Advisors provided direction to the project's process and content. Members of the group included contractors, community group and environmental group representatives and Forest Service staff.

Susan Jane Brown, Lewis & Clark Environmental Law Program
Brad Flatten, Forest Service Timber Contracting Officer
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Andrea Bedell Loucks, Pinchot Institute
Lee Miller, Contractor, Oregon
Cass Moseley, Ecosystem Workforce Program

The National Forest Foundation and Sustainable Northwest would like to thank all of the participants in the 2005 Roundtable series. The Technical Advisory Group has our heartfelt thanks for giving their time and expertise throughout the year to make sure that the project was asking the right questions. The Region 6 staff also worked tirelessly to ensure the Roundtable provided the content the Region needs to fine-tune its approach to stewardship projects. Thank you to all who helped make this Roundtable Series a success.

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EXECUTIVE SUMMARY

The Roundtables generated a picture of stewardship contracting that is positive but also beset by on-going challenges. Throughout the Roundtable series an effort was made to draw a distinction between three types of existing challenges:

1) The steep learning curve associated with developing a stewardship project for the first time
2) Misunderstandings, lack of documented best practices and scarcity of official guidance
3) Misalignment of policies or processes that systemically undermine stewardship project goals

1) Learning Curve. Many problems being faced in designing and implementing stewardship contracts in Region 6 are the result of a steep learning curve in the early years of the stewardship authorities' application. These challenges, such as implementation of the stewardship collaborative process, will get easier as Forest Service staff, contractors and community stakeholders become more fluent in the use of stewardship authority tools and processes. Many of the obstacles contractors face in responding to stewardship project requests for proposals are the result of an industry struggling to adapt to a new way of doing business. These challenges should subside as more and more forests, communities and contracting firms gain experience with stewardship projects.

2) Misunderstandings and Lack of Guidance. Many Roundtable discussions revolved around the need for more clarity about the processes and tools used in stewardship projects. There is near unanimity in the call for more guidance in how the collaborative process should be conducted. Yet all stakeholders insist that the guidance should not be in the form of requirements. More clarity is also called for in the definitions and use of "best value" contract award, the uses for monitoring information and how stewardship projects can be funded. Roundtable participants asked that the contract templates be simplified as well. On each of these, and on other topics the Region's implementation of stewardship authorities would benefit from a concerted effort to clarify, communicate and facilitate mentoring between forests and community stakeholder groups.

3) Policy Misalignment. Finally, the Roundtable identified several systemic problems created by a mismatch between an established system or policy and the objectives of stewardship projects. One example is the allocation of acquisition contractors' time in early stewardship project development. Strain on contractors imposed by particular contract requirements inhibit their participation in stewardship projects and limit the effectiveness of best value. Inadequate funding for specific stewardship objectives could be called a systemic problem. This is particularly true when, for example, lack project planning funds keeps some forests from generating new stewardship projects. Long-term sustainability of stewardship contracting's reliance on volunteer collaborative groups was also of concern; sustaining project development as a volunteer function may become more of a systemic challenge over time as community members only have a finite number of hours to contribute.

Participants were asked to consider what is working about stewardship projects, identify challenges to successful project development and implementation and to recommend solutions to those challenges. Participants were not asked to come to agreement on the points raised, however, which resulted in a rich collection of recommendations that reflect the diversity of understanding (and misunderstanding) of stewardship project operations. Some recommendations do not account for the realities of current budgets or policy decisions. Others are seemingly simple fixes that would not require significant changes in approach and could alleviate some obstacles to the stewardship project development process in the near term. Overall, the discussion resulting from the Roundtable Series offers a ground-level-view of what it could take to ensure that stewardship authorities are used seamlessly to turn out projects that truly benefit forest restoration objectives while also benefiting local communities.

MINDSET: OUR APPROACH TO STEWARDSHIP PROJECTS

Need to Specify Whether Stewardship Contracting is a Tool or a Program

Recommendations are noted as follows:	
(FS)	Forest Service
(Cont)	Contractor/Industry
(C/E)	Community & Environmental Stakeholders
(all)	Agreement among all groups

The question of whether stewardship contracting is a tool or a program was raised repeatedly. "Is stewardship contracting supposed to be a program? Is it in addition to the green timber program, the wildlife program, etc.?" Contractors feel that stewardship projects are supplanting green timber sales. "Our thought was that stewardship projects were supposed to be in addition to the green program. It was never supposed to be taken out of the green program." Or, as one Forest Service staff said "This is just one avenue to accomplish our program of work."

The Chief of the Forest Service's suggestion that each forest produce two stewardship projects a year was seen by some Roundtable participants as an indication that stewardship contracting is meant to be a new program. Many Forest Service staff and community stakeholders reacted negatively to the Chief's suggestion of two projects on every forest, feeling that the agency is pushing stewardship without consideration of local circumstances. The focus on meeting a set "target" of two projects a year was seen by Roundtable participants as taking focus away from the real intent of the authorities, which is to generate land restoration accomplishments in a way that supports local communities.

These participants felt that a commitment on the part of leadership to get projects on the ground is not accompanied by support that such a stewardship "program" would require for success, such as a greater commitment to training or support for collaboration or community capacity building.

While there is only a slight difference between seeing stewardship authorities as a tool or as a program the confusion points to a need for greater clarity on how we want to regard and use stewardship authorities.

Need for More Direction

The stewardship authorities represent a significant change in project development processes and implementation and yet have been accompanied by relatively general official direction. While the freedom to create new ways to design and implement projects has resulted in many innovations, lack of official direction has also stymied some project implementation.

Time and again throughout the Roundtable series participants called for more information. The call for "guidance" should not be interpreted as a desire for more rules or requirements, however. Participants are seeking a new level of clarity about how stewardship projects work. They want to know what to expect. They want to know what the parameters of success are. One recommendation that gained a lot of support at the final Roundtable in Corvallis was for the Forest Service to produce a "Tool Box" information kit on Compact Disc.

- The Forest Service should produce a new "Tool Box." A CD all about the process and goals of stewardship projects including what to expect, policies, guidelines for success, contract templates, a website just for Region 6, examples of successful projects, and resources. "Similar to "Don's tool box" used by the fisheries team." It would serve as comprehensive update to the 1999 Pinchot Institute booklet. (FS)

PROJECT DESIGN: HOW PROJECT ELEMENTS, FUNDING & INTEGRATION IMPACT STEWARDSHIP

A stewardship contracting project generally undergoes a series of sequential phases that include: project identification, planning, design, implementation, and evaluation. Collaboration, monitoring and adaptive management can occur throughout the process. The project design phase is an extremely important component of the stewardship project process. It is during this phase that project activities and specific contract or agreement mechanisms are determined. Decisions made in the design phase affect whether or not the intended outcomes will be achieved.

Done properly, stewardship projects benefit local communities. Local benefit can include:

- Ecological – restoring a community's natural capital (watershed, fish and wildlife, habitat, fire ecology) for ecosystem services and safety
- Economic – financial opportunities in contracting, subcontracting, wood products manufacturing, and selling equipment and services
- Social – bringing the community together around issues related to forest, community health

The policy direction for stewardship contracting available through December, 2005, provides general guidance for the collaborative aspects of stewardship - FSH 2409.19 Renewable Resources Handbook, Chapter 60, (hereafter called the Handbook). The Handbook provides guidance on the role of local benefit in project design. The general purpose of stewardship end results contracting is to achieve land management goals for the National Forest System while meeting local and rural community needs. Roundtable participants identified several challenges that arise from decisions made in the design phase. Among these, they noted that:

- The objective to achieve local benefit is not always well understood or achieved (due to the fact that "local" is not defined? Was the case with pilots. Who was this "local"?)
- Holistic ecosystem benefit is not the project driver it should be
- Collaboration does not always occur soon enough in project development process
- Forest Service contracting officers and other staff are not always involved early enough

Some of these challenges are systemic in nature, while others are due to lack of training and experience in using the new authorities.

Need to Improve Understanding of Project Orientation & Structure

Ensure Better Understanding of Local Benefit and Best Value. Community and environmental stakeholders noted that too few people understand how stewardship projects can build local workforce capacity and ecological restoration capacity. "The emphasis from the Forest Service has been on efficiency, not on community benefit." Contractors are uncertain about best value criteria, feeling its use in the selection process is not transparent enough. Forest Service staff wonder if best value contract award works as it was intended. They find that allocating points for local benefit in the contractor selection process tends to pressure contractors to add the same kinds of proposal elements. "After a few contractors do it, all proposals end up looking the same." If an RFP calls for a specific kind of local economic or workforce impact, than each proposal includes the same response. "In the end it comes down to price again. So what's the point?"

To facilitate the correct use of best value, Roundtable participants recommended:

- Identify your workforce at the project's outset, know your market. (C/E)

- Define “local” early in the process. Use weighting to value local in evaluation criteria and be transparent about what weight will be given to it. (Cont) (FS)
- The agency should learn more about the infrastructure available in communities. For example, where can contractors take material? What are local solutions for the innovative utilization of small diameter material? (C/E)
- Make contractors pay prevailing wage (Davis Bacon) to all stewardship contracts (C/E)

Focus on Restoration. Community and environmental participants at the Roundtables felt that ecological restoration doesn’t appear to be sufficiently incorporated into projects. This could be a result of a lack of resource specialists on Forest Service design teams. They also found that collaborative groups lack needed information on topics other than inventory and timber volume. They seek information that would enable groups to address other resource restoration needs in the design of stewardship projects such as canopy closure, size/class and distribution of stems, and condition of non-timber forest products.

Another factor frustrating the intended holistic approach of stewardship projects is that some activities are not included if it appears as though they should be a private landowner’s responsibility, such as range restoration (which may be a permitee’s responsibility). Suggestions from the Roundtable include:

- Provide collaborative groups with a description of the inventory other than timber volume to allow them to describe the results of prescriptions in other resource categories. (C/E)
- Supply information on non-timber forest products, canopy closure, weeds, for example. (C/E)
- Forest Service specialists (“ologists”) need to be better advocates for restoration activities at the earliest stage or project design to set the tone for restoration and get ideas for restoration objectives that go beyond the usual. (FS) (C/E)

Use More Third-Party Services. Numerous Roundtable discussions turned to the benefits that third parties such as nonprofits could bring to stewardship projects. Community, environmental and Forest Service participants were explicit that local third party organizations should be seen as an asset in stewardship project implementation, not just as the source of collaborative group members. They stressed that agreements should be more widely used to draw on local capacity in a variety of ways. They pointed to the fact that community-based nonprofits, educational institutions, tribes and other non-federal organizations can bring in outside dollars that could contribute to project monitoring and even the implementation of key project components that are otherwise unfunded.

One obstacle to the greater use of third-party service may be a lack of Forest Service familiarity with how agreements can structure relationships with nonprofits and other third-parties. Forest Service staff noted that there are not enough agreements staff available to build project agreements. Participants agreed that creating agreements that pull in new partners and dollars for project implementation could pay the cost of having agreements staff available for this role. Roundtable participants recommend these ways to get these third parties involved in stewardship projects in meaningful ways:

- Expand third party service in stewardship projects through agreements or contracts. Bring in more dollars and gain partners to get more work done on the ground. (FS)
- Ask the RACs to run the collaborative process. (FS)
- Contract with or sign an agreement with a local nonprofit to manage stewardship project - facilitation, monitoring, outreach and/or work with private landowners. (C/E) (FS)
- Offer management of the all-party monitoring process as a contract to create jobs and local benefit. (C/E)

- Provide cross training in agreements that would make contracting officers more knowledgeable and comfortable with use of agreements. (FS)
- Work out formats for nonprofits to manage projects (FS) (C/E)

<u>Need to Improve Approaches to Stewardship Project Funding</u>

Each stewardship project's objective and outcome are affected by funding source and levels, sometimes in unintended ways. Appropriations, through any number of different programs, can be combined to support stewardship project activities. In addition, receipts from the sale of forest products can be channeled back into project activities or another stewardship project in the same forest. Appropriations have to pay for costs that are not covered by receipts, including the costs the agency incurs planning and working collaboratively with the community to design and implement stewardship projects. Finally, project partners, including nonprofits and other organizations, may bring additional money to land management, collaboration or monitoring tasks. Because of these different elements, a strategic approach to project funding is a key element in successful project design.

The challenges that face stewardship project funding may actually be a lack of practice. Other challenges noted in this report clearly stem from a lack of shared examples. It may also be true that the lack of working examples of innovative stewardship project funding solutions is holding back region-wide progress. One re-occurring obstacle is the lack of funding to support Forest Service staff involvement in project planning and design, which cannot be paid for out of stewardship receipts. This funding obstacle is limiting the next generation of projects.

Mix Funds to Improve Project Success. Forest Service participants recognized that traditional project funding is linear. Project dollars are directed towards a discrete goal. Linear approaches to funding do not work for more complex stewardship projects where funds can be used for one type of spending need but not others. Project priorities such as wildlife, fisheries or noxious weed removal, typically do not have sufficient appropriated funding to put toward these objectives in stewardship projects. If there are insufficient receipts to direct to these restoration needs then they may be underserved.

Roundtable participants found that there is insufficient guidance coming from the Regional Office on how to fund the planning, development and implementation of stewardship projects. For example, there is confusion within Forest Service on whether the Work Plan system will result in double counting of accomplishments in different funding areas. Forest Service representatives expressed frustration that, even if they are able to assemble outside funds and innovative ways to pay for contract implementation, they still lack funding to write the contracts. “Limited appropriations make us unable to capture opportunities.” Forest Service staff report that creating innovative ways to integrate project objectives, project funds and even the funds of outside partners is something that is really learned by experience.

Recommendations include:

- Share examples of successful creative stewardship project funding packages. (FS)
- Reorient the approach to funding projects. Assess where you will have appropriated funds, receipts, and partnership generated funds at the outset. Focus funding streams on the restoration programs of work accordingly. (FS)
- Clarify if forests can use stewardship contract receipts on projects using the Wyden authority off Forest Service land. (FS)
- Incorporate partner-provided funding where ever possible (FS)
- Ask RACs to fund some project elements (FS)

- Seek opportunities to link stewardship contracting and community wildfire protection plans, particularly in the realm of small diameter wood biomass utilization. (C/E)
- Incorporate community wildfire protection plans with stewardship contracting and fit them into FEMA guidelines so projects can access FEMA money for project design and collaboration. (C/E)
- Encourage agency people to integrate thinking among different 'shops'. Consider riparian/wildlife when doing fuels reduction.
- Convince congress to stop allocating things so specifically. Need integration/flexibility to do true landscape stewardship contracts. (C/E)

Address East-Side Versus West-Side Opportunities. Stewardship project funding on the east side of the Cascades can differ substantially from projects on the west side. On the west side, thinning for restoration goals often yields enough funding through receipts to cover other stewardship project priorities. On the east side of the Cascades there are fewer receipts due to the lower value of small diameter trees removed for fuel reduction and also lower volume per acre removed to accomplish treatments. These projects often require additional appropriated funds to accomplish goals such as wildlife or fisheries habitat enhancement or road decommissioning. This geographic disparity between east and west means that projects on the east side are primarily tied to fuels reduction targets as associated fuels funds are more readily available. Projects on the west side may be able to cover a wider range of tasks and priorities.

Recognize the Role of Targets in Determining Project Funding

The targets for fuel reduction have been a critical driver for projects in the last few years. The priority and funding directed at fuel reduction is a key reason many stewardship projects are possible, benefiting ecosystems and communities. However, the requirement to accomplish fuels targets can affect project development and funding in areas of the Region where short fire return intervals are the norm.

The dominance of fuels dollars as a source of project funding can interfere with one of the key objectives of stewardship, that projects meet a range of land management goals while also addressing local community needs. Fuel targets are perceived by some Roundtable participants to be disrupting the purpose of stewardship authorities. At the same time, participants recognize that the stewardship authorities are allowing fuels dollars to stretch further and treat more of the higher cost acres than could be treated otherwise.

Forest Service's Inability to Pay for Project Planning & Design

Some community and environmental stakeholders see current low appropriations for Forest Service staff time to plan stewardship projects as a confirmation that the Forest Service is not actually interested in having more stewardship take place. "If it is as high a priority as the Chief and the Region are saying it is, then fund stewardship projects at a level commensurate with the stated high priority. Fund stewardship as a regional program, designating a certain percentage of program funds to go towards planning and implementing new stewardship projects."

The cost and time for Forest Service staff to plan new projects is a true bottleneck for the goal of producing more stewardship projects throughout the region. Stewardship receipts cannot pay for project design and stewardship projects do not commonly generate the more flexible trust funds dollar that can pay for project planning. Without sufficient appropriated dollars to design new stewardship projects forests are unable to put staff time towards developing new projects. The paradox is particularly vexing west of the Cascades where projects tend to generate receipts that can sustain a range of project implementation goals in subsequent projects. “If we had designs, then stewardship receipts could pay for the implementation” say Forest Service participants. Recommendations from Roundtable participants include:

- Conduct detailed project design under a contract. Build design tasks into a project contract and pay for it with stewardship receipts. For example, marking timber as part of the project. The Forest Service would provide design specifications and do inspections. (FS)

COLLABORATION: Role of Collaboration in Stewardship Projects

Stewardship projects are intended to be a product of collaborative effort between the Forest Service and stakeholders with diverse interests and experience. Collaboration with the local community is required for stewardship projects. Yet the extent and type of collaboration varies greatly between projects. The participants in a collaborative process might include individuals representing community-based groups, contractors, interest groups, and public agencies. Although final decision making remains with the Forest Service, stewardship contracting collaboration has the potential to provide unprecedented opportunity for community stakeholders to shape and evaluate a stewardship project.

When done well, stewardship contracting collaboration can result in ecosystem and community benefit:

- Contracts or agreements are uniquely suited to local capacity
- Projects reflect and serve true community needs
- Projects use local knowledge of resources and best treatment approaches
- Economic benefit stays in the community
- Increased trust is developed through collaboration and benefits future project implementation
- Community stakeholder groups have a great deal of latitude for project development, a platform for consensus building and a basis for longer-term monitoring.

Based on the direction available through December 2005, there has been little to explain what kind of collaborative process is ideal within a stewardship project scenario.

- "Stewardship projects should involve collaboration." (Handbook, 60.3)
- "Projects shall be developed collaboratively with communities." (Handbook, 61.1.a.)

Roundtable participants identified that the root of some challenges associated with collaboration are based in a fundamental lack of clarity about the way collaboration should be conducted. Participants noted a lack of officially-promoted "best practice" examples. In many cases the challenge may stem from a mismatch between the expectations of how collaboration should be conducted and communities' capacities or willingness to engage in those ways.

Challenges associated with collaboration may also reflect a lack of clarity on the purpose of each project as it evolves. The intended balance between commercial harvest and restoration outcomes is one of the first hurdles in collaborative discussion. The processes and attitudes necessary for successful collaboration represent one of the steepest learning curves of all stewardship contracting tasks. The Roundtable participants found that the stewardship contracting collaboration process becomes easier with practice. In large part, collaboration around stewardship projects is most successful where a diversity of community stakeholders, organizations and civic leaders have the capacity to participate.

Need More Guidance on How to Conduct the Collaborative Process

All stewardship projects engage in some form of collaboration but the route they take, the stakeholders they engage, the level of engagement, the type of decisions made, and the way decisions are made, all vary tremendously from project to project. This flexibility is a desirable quality, but it is also a source of great uncertainty. Uncertainty is especially acute for participants involved in their first stewardship project where the learning curve is steepest. Training has been available but even the best training is not a substitute for working through a collaborative process oneself. For those who have participated in one or more projects, their desire is now for more clarity and benchmarks to ensure that processes are productive, fair and representative of stakeholders' diverse views.

Start Out Well. Roundtable participants report that collaborative groups are often ill informed about what is possible. This leads to a great deal of time wasted on issues that cannot be addressed through stewardship projects and proposals that won't work. An efficient and informed process needs input from a balanced group of participants, including contractors, Forest Service staff familiar with both acquisition and timber, and key resource experts. However, it is uncommon that a collaborative process starts with such a full compliment of participants. This pattern has frequently resulted in frustration, wasted time and backtracking.

Roundtable participants recommended the following measures to ensure the effectiveness of collaborative processes:

- Provide guidance, but not requirements, for is considered successful outcomes of a collaborative process. This "checklist for collaboration" would allow for flexibility depending on the differences in the local communities. (FS)- do you really want FS to do this? Should the local community help define in coordination with agency?
- Provide more clarity (through more guidance or a checklist) on topics such as: Is consensus expected? When should collaboration start? Who should be included? How much collaboration should be done for a stewardship project? What makes collaboration for stewardship contracts different from NEPA or Community Wildfire Protection Plans? (all)
- Need guidelines on how to deal with disagreement in a collaborative process. Then each group will develop according to its own needs within those lines (FS)
- Create a brochure to walk people through the basics of stewardship project collaboration to lessen the uncertainty and outline intended outcomes. (all)
- A Forest Service contracting officer with stewardship contracting experience should be involved early on and throughout the project. (FS)
- The Forest Service should provide a basic presentation to the collaborative group about the tools available and what is possible in terms of cost to avoid worthless proposals. (Cont)
- The Forest Service should promote that it is ok to have different types of collaborative efforts:
    1) Group that comes together to identify a project, develop project purpose & need
    2) Group that comes together after NEPA
    3) Group that continues on over time as a factory for future projects. Such a group would have an interest in the whole watershed or forest
- More joint training should be provided for Forest Service and community partners on stewardship contracting and collaboration (C/E)
- The Forest Service should foster peer-to-peer learning between forests and stewardship projects. Cross-pollinate knowledge between forests. (FS) (C/E)
- Forest Service should encourage sale administrators to participate at key times to ensure that things proposed for stewardship projects are doable. (Cont)

Establish the Right Tone in Collaboration. There are many roles in a collaborative stewardship process. Roundtable participants felt it was especially important to clarify the appropriate roles for Forest Service representatives from the outset. Catalyzing a collaborative process may be the first stage of a project, with the Forest Service often in the lead. This catalyzing role may evolve into an organizing and communication role. Community leaders and nonprofits sometimes maintain this organizing role; in many projects it is retained by the agency for some time. Actual facilitation of collaborative meeting discussion is a discrete role, accompanied by documentation and record keeping for the group. Many Roundtable participants felt that the strongest projects have non-agency people filling the organizing and facilitating roles, helping to establish a feeling of community ownership of the process.

“There is a common perception when a stewardship project is first started that somehow the Forest Service is driving the process. But from my perspective,” said one Forest Service employee, “we’re sitting at their table – they’re not sitting at ours.” Establishing the right tone in a collaborative process is essential. Roundtable participants felt that Forest Service staff has a lead role in establishing a sense of group ownership.

Establishing a truly balanced collaboration where all parties have something to gain and give in the process, is often challenging. Misunderstandings about who “owns” the process are evidently lingering on in stewardship processes and disrupting community engagement. Tension surrounds this situation because the Forest Service does have a very large role to play in introducing options, and explaining the opportunities and limitations of stewardship authorities.

Clarify When Collaboration Should Start. Roundtable participants recognize that collaborative groups should form at the very beginning of a project’s development. “Ideally, collaboratives should help with purpose and need of projects.” There is a problem when a collaborative group is called together without a community recognizing the need for restorative land management. “If people don’t think there is a pressing need then we may be overemphasizing collaboration.” The murkiness of the situation is brought out by a comment from community and environmental stakeholders. “How many people in the community actually understand that these projects can be proposed by the community? Is there a way that we can get this out to the community so that people know that there is this process?”

Participants recommended:

- The Forest Service should establish a way to help community members bring project ideas to the agency – and spark a collaborative discussion. Communicate with the communities that they can bring a geographic location, purpose and need to the Forest Service, instead of the reverse. (C/E)
- Collaborative groups should generate a whole series of projects (in a watershed). That would establish a basis for the team. “How should watershed be restored? What would we like to see?” That’s where their buy-in is. Is this not the Forest Planning process? (FS)
- Collaboration should start when you are just conceptualizing the project - BEFORE there IS a specific project. (FS)
- Collaborative groups need to be contacted at the very earliest stages/onset of project. We want the Forest Service to work with us from the beginning. (C/E)
- In the Hungry Hunter project collaboration started from the very beginning, brought the project to the Forest Service. It was a good investment of time (FS).

Clarify Appropriate Roles for Collaborative Groups. Appropriate collaborative groups roles vary. Roundtable participants felt appropriate roles may include some or all of the following: 1) setting priorities at the landscape level; 2) directing what the next stewardship projects should address; and 3) determining on what priorities they want to use receipts. Actual roles in each project are established by each group with approval of the District.

Support Collaborative Groups with Adequate Information. Some Forest Service participants felt that collaborative groups seemed to be focusing too much on the details of prescriptions, which they are ill-equipped to address in detail, instead of a focus on desired end-results. Environmental and community Roundtable participants counter that collaborative participants need equal access to Forest Service information on resources and needs, information that helps them make intelligent decisions about specific treatments. That with the right information at hand the collaborative groups could play a more important role in the details of project implementation and design, not just determining the end-results.

Need to Clarify How Stewardship Project Collaboration Should Interact with NEPA

There is significant confusion about how NEPA relates to stewardship projects "How should we best provide for a true collaborative process and still meet NEPA needs (and avoid problems with FACA)?" Forest Service, community and environmental stakeholders seek guidance on this topic. Many see the combination of NEPA and collaboration as an oxymoron. "NEPA ends up locking us into very well defined activities and that doesn't leave us much room for adaptive management with the collaborative group," said one Forest Service representative. NEPA's focus on contract requirements does not fit with stewardship's focus on end-results and adaptive management through multiparty monitoring. "There is no going back after NEPA is set. No opportunities for adaptive decisions."

One group of Forest Service representatives offered this series of steps to better blend NEPA and stewardship collaboration needs:

1) Collaboration group sets purpose and need, and desired end results, in line with Forest Service priorities
2) Group decides what the contract options are and what contractor capacities exist
3) Mold the project into NEPA
4) Define the contract specifics

Need to Build Trust as Part of Collaboration

Community groups sometimes need some idea of what will be happening in the field during project implementation to build trust in the outcomes of the project. Discussion between stakeholders with different areas of expertise is essential to the process. Community and environmental stakeholders feel that collaborative groups need more interchange with contractors and Forest Service staff. That this interchange would help build the trust that makes a stewardship project most successful. In some communities a project starts with a fundamental lack of trust. "People are not sure if there is authentic interchange of ideas. Does the public really have a say? Will they come back to us with project that complies with the principles we put forth? People feel that they are not being heard because they don't see their principles reflected in new projects." A well-conducted collaborative process is the key to overcoming this barrier.

Suggestions include:

- Provide more power to local collaborative groups. Give representatives from the collaborative a seat at the decision-making table. (C/E)
- Include a collaboration plan in the initial stewardship proposal. The regional office could reject any plan that does not include collaboration (Region 8 is working in this way).
- Require letters of support from the collaborative stakeholders in the project proposal to the Regional office. (C/E)
- Define the ecological criteria around which the stewardship contract will be designed. (C/E)
- Develop an MOU between the Forest Service and the stewardship project collaborative group to document commitment to project outcomes. (C/E)
- The Forest Service at the Regional Office level needs to remember that collaborative groups want to ensure community benefit, as well get things done on public land. (C/E)

Need to Address the Long-Term Strain on Volunteer Collaborative Groups

Stewardship contracting authorities create the need for unpaid volunteers to work on projects that may take years to come to fruition. There is an expectation that collaborative groups will continue to maintain this role through a series of projects. Is this sustainable? Community and environmental group participants pointed out that in many cases volunteers are taking full responsibility to convene and keep collaborative processes moving. Some felt the expectation that collaborative groups will stick with projects over prolonged periods of time is not sustainable, given the systemic low level of support given to the process and demands on personal time. “It’s not sustainable at that level of expectation. We need funding for the long term, or need to scale back expectation,” said one agency participant.

Long-term sustainability may or may not be an issue where there is significant community capacity, nonprofits with appropriate missions and adequate funding to play a significant role in collaborative processes. The presence of active civic leaders inclined to participate is also a factor. In places where this social infrastructure exists, long-term collaborative efforts are sticking together. Examples from the Okanogan-Wenatchee’s Hungry Hunter project, Siuslaw projects, Wallowa-Whitman projects and several others were mentioned. Community and environmental stakeholders asked, “How do we build the capacity/skills needed?”

Address Inequity of Volunteerism. Forest Service and environmental/community participants alike pointed out the inequity of collaborative processes where some participants are paid to be involved while others are not. Forest Service participants occasionally feel the resentment of volunteers characterized by a feeling of “You’re always paid to be here and I’m not.” Community and environmental participants draw further distinctions between collaborative members who are paid by their organizations, local government employers or companies to participate, while others are giving unpaid time, sometimes taking time and money away from paid responsibilities. Community participants warned that “Prolonged volunteering without compensation presents a danger that volunteers will become weary.” One participant commented, “Stewardship contracting and collaboration have to be seen as a business. Any start up businesses requires initial investment and one of the highest costs of business is management. There is consensus within this group that the management costs of collaboration are being ignored.”

Roundtable participants suggested several ways to address the inherent inequity of long-term volunteer collaborative processes:

- Pay collaborative stakeholder group members for their mileage to help even unpaid members to participate - while this doesn’t pay for their time it at least evens it out. (FS)
- Create a list of different organizations that could pay for collaboration
- Have the National Forest Foundation design a specific grant program to support stewardship contracting collaboration. (C/E) (FS)
- Have a funding source specifically for community collaboration that each group could apply for in an application at the beginning of the process. Such an application should detail goals, outcomes, and monitoring plans. Once the forest has designated a stewardship plan, then the forest should pay for community collaboration. (C/E)
- Establish a collaboration and monitoring line item in the Forest Service budget (C/E)
- Allow retained receipts to pay for program administration, planning, monitoring and collaboration for non-governmental partners as well as for the agency (C/E)
- Utilize FEMA funding for collaboration and stewardship project planning where stewardship projects address FEMA priorities. (C/E)
- Explore using county payment dollars and see if a county could host and pay for collaborative process costs (C/E)

Make Collaboration More Citizen-Friendly. These suggestions are intended to make collaboration easier, without funding:

- Work with people's schedules. Collaboration meetings often take place between 9 and 5 – which is not good for people who have other jobs. (C/E)
- Make collaboration more accessible. Use less jargon.
- Create a Web site-based glossary for technical terms often used in stewardship contracting projects (What is a masticator? for example).
- Use consistent technology across all information programs (such as GIS). Provide access to this information. Facilitate data sharing. (C/E)
- Value the role of collaboration by seeking letters of support from the community as part of the stewardship contracting proposal to the regional office. (C/E)
- Provide avenues for collaborative partners to have a voice in policy changes (e.g., recommendations for changes to the Handbook.) (C/E)
- Enable groups, stakeholders and advocates that are not local to participate in local stewardship project collaborative groups. Overcome a local lack of community capacity by ensuring that stewardship project collaboration does not limit democracy. (C/E)

Maintain Consistency. Another challenge is the history of changes made to the authorities and policies governing stewardship projects. "We started out with pilot rules, then another set of rules, then another new handbook came in. People have walked out of the room because of the frustration." One solution offered is that collaborative groups and facilitators help all participants to "See the bigger picture. Keep the focus on the underlying continuity that stewardship contracting maintains with Jobs in the Woods, for example. With each of these we seek to secure family wage jobs and do restoration. We do have continuity of purpose, but there's been no effort to show that to people."

Recognize that Slow Pace of Projects Stymies Participation. The time from conception of a project to seeing that project implemented on the ground is "too long" in many cases. When project collaboration is started at the point at which project purpose and scope are still being determined (where participants agree it should), the years it may take to develop the project and get it through NEPA & consultation strains the energy of volunteer collaborative groups. The strain is particularly acute where projects are delayed by NEPA or appeals. These have had significant attrition and loss of energy over a course of years. Roundtable participants asked "Can a community process hold on that long? When implementation is years away – what's the incentive to stay together?" To counteract the deleterious effect of a time consuming process, participants suggest:

- Work with existing community groups and use their time wisely. If there is concern that these existing groups aren't diverse enough, add some people. Don't start all over. (FS)
- Show steady progress throughout the project. (all)
- Keep in touch with collaborative group volunteers – even when progress is slow. (all)
- In communities doing their first project, start with a signed NEPA document to speed along progress so the process doesn't take so long, or start with simple projects where the public support is not in question. (FS)
- Keep parts of the project going, even during an appeal. The Metolius Stewardship project was slowed by an appeal, however, the project kept the work going by implementing service work portions of the project that were not the subject of the appeal.

Consider Benefits and Drawbacks of Using Established Groups. Some Forest Service participants noted that the agency should rely more on established community groups to lessen the strain of pulling the same community leaders together for more volunteer time in a new stewardship-specific group. They say, "When the Forest Service has a "program of the day" approach, they fail, because there's no continuity." Thinking that a new program (like stewardship contracting) requires a new group is wrong, they say. "You can use the watershed council, or the RAC for example. It's the same people over and over."

Need More Contractor Participation in the Collaborative Processes

Many stewardship projects are stymied by the limited number of contractors and other industry representatives involved in stewardship project collaborative processes. Projects in the Gifford Pinchot National Forest, Clackamas District of the Mt. Hood National Forest and Alsea watershed of the Siuslaw National Forest were among those who pointed out that they have had poor, declining or no participation from contractors. Participants recognize that projects need early consultation with contractors.

Recognize Collaboration Entails Risks for Contractors. While contractors at the Roundtable recognize that their participation would help shape better projects and are eager to provide input to avoid frustration later on, the time it takes away from work is a key concern. They are concerned that the time they put into projects will be unrewarded when, through open bidding, the contract is awarded to someone else. They are also concerned that if they are awarded the project, participating in the collaborative will create a conflict of interest. Another reason is that collaborative processes are sometimes contentious and many contractors don't want to risk being associated with land management disagreements in the community.

Collaboration Costs Too Much for Some Contractors. Collaborative processes take time away from businesses and paying jobs. This investment of time is a serious impediment. "We can't afford to participate," reported several contractors at the Roundtable. The cost of participating in prolonged collaborative processes is particularly difficult for small contracting businesses. "Project processes are taking too long. There is no incentive for them to participate," say community and environmental stakeholders. Those industry representatives that are regular participants in stewardship contracting collaboratives are primarily from larger companies that pay for their time to attend meetings. Some contractors at the Roundtable saw no reason for their participation in collaborative project development regardless of the time it takes. "Contractors are not part of the collaborative process, we are the end-result."

Roundtable participants suggested ways that industry expertise can be incorporated into the collaborative project development process by increasing incentives, or without requiring significant time:

- Encourage a trade group representative to attend collaborative group meetings instead of individual contractors. (Cont)
- Build the capacity of local organizations to represent local contractors and workforce issues to ensure that contracts are designed with their capacity in mind. (C/E)
- Increase communication between collaboratives and contractors. Provide a schedule of meetings to contractors so they know when to show up to give input on things they care about. Strategic input at strategic times when the input is most helpful. (Cont)
- Fund contractors' time to participate at specific times. Channel funds through non-profits.
- Collaboration processes need to move along in an orderly fashion in order for contractors to buy in. Open-ended processes and delays don't work for contractors. (Cont)
- Need incentives for contractors to participate.

- Share meeting notes, emails, real time notes (would need maps and visuals if people are 'participating' remotely. (C/E)

Need for Facilitation

A facilitator is essential to helping collaborative groups get started, set ground rules and function effectively. Often times, collaborative process management roles are taken on by a Forest Service staff person, including actual meeting facilitation. Roundtable participants noted that this can in some cases skew participants' impression to thinking that the agency "owns" the process, and stakeholders are invited to "the Forest Service table."

A third-party facilitator, with no stake in the project outcomes, was seen by participants as preferred to Forest Service facilitation or ad hoc facilitation. This third-party facilitation is particularly valuable where there is disagreement about a project's purpose or approach. Participants discussed that, with the forthcoming Handbook, forests will be able to use stewardship receipts for "incidental expenses" including facilitation. Participants noted how important it will be for Region 6 to define "incidental expenses" to include facilitating collaboratives for stewardship.

Suggestions include:

- The Forest Service needs to pay for third-party, professional facilitators to manage stewardship project collaboration. (FS) (C/E) Or alternatively,
- The Forest Service should co-facilitate the collaborative process with someone who is non-agency. (C/E)
- Define "incidental expenses" as referred to in the new Handbook to include collaborative process facilitation by a third party. (FS)
- Identify a community liaison person (may or may not be the facilitator) as a "go to person." Have them be a liaison on all levels (district, project, supervisor, Regional Office, etc.) (C/E)

MONITORING: ROLES MONITORING PLAYS & SHOULD PLAY

Monitoring is the process of collecting and evaluating information. Multiparty monitoring involves people of diverse perspectives coming together to identify the right monitoring questions to ask, to assess how well a project is meeting desired outcomes and responding to jointly identified concerns. Frequently one objective of monitoring is to identify how management can be adapted to improve results. For these and other reasons, multiparty monitoring is central to the effective implementation of stewardship projects.

When implemented successfully, monitoring is a process that allows stakeholders to:

- Build trust and relationships
- Promote mutual learning and reach agreement
- Be involved in the project early on and thus avoid possible conflict later in the process
- Identify conflicting issues that need to be monitored in order to proactively address them
- Evaluate impact of projects and programs and adaptively manage

Monitoring for stewardship projects has happened at different scales (project, programmatic, regional, national) and with different issues as its central focus (biophysical, economic, social, administrative). The Handbook provides direction and guidance for monitoring. Currently, the policy is that programmatic monitoring should be done for stewardship projects, but project-specific monitoring is also suitable and optimal, given the interest of the community.

Although the Forest Service has congressional encouragement to undertake multiparty monitoring in stewardship projects and there is general agreement among diverse groups about its importance, actual implementation remains challenging at the local level. Some of the problems appear to be systemic (lack of funding appropriated for monitoring activities, limited agency incentives to engage in monitoring processes). Other problems are rooted in miscommunication or point out the need for further training.

<u>Need to Clarify & Support Multiparty Monitoring</u>

During the pilot phase of stewardship contracting, multiparty monitoring teams were established for each pilot. Now that the authority is permanent, there has not been a coordinated effort to help develop multiparty monitoring processes for new projects. Handbook, trainings and other resources have provided general overviews, but have not given adequate support at the field level. Multiparty monitoring results have been limited and variable from project to project. Uncertainty surrounds the monitoring topic as a result.

Some typical questions include:

- The type of multiparty monitoring that is required (programmatic versus project)?
- Who should be involved?
- Who is responsible for coordinating and facilitating the process?
- How does the process work?
- What is the relationship between ‘collaboration’ (which is required in stewardship contracting) and ‘multiparty monitoring’?
- How much monitoring needs to happen for each project?
- What is the appropriate level of rigor and questions/indicators to choose?
- What best practices have been identified?
- How should results be used?

Support Project Monitoring Through the Forest Service. Agency personnel are not always encouraged or rewarded for undertaking multiparty monitoring efforts. Multiparty monitoring is not an easy task, and without the proper incentives, might not happen. Finally, the importance of monitoring remains obscure, particularly for those who have not been involved in it. Participants felt that resistance to multiparty monitoring remains because the outcomes and benefits of monitoring are not readily understood by all stakeholders, including Forest Service staff. Suggestions include:

- The Forest Service Region 6 Office should provide direction that stewardship projects should include multiparty monitoring. (C/E)
- Provide more training on multi-party monitoring. (C/E)
- Pursue monitoring as another contract opportunity. Contract with NGOs or use agreements, or use the management of the monitoring process as a local business opportunity. (C/E) (FS)
- Broaden the perspective of monitoring so that it addresses more than just the project and product removal, to include weed crews, use of local professionals, for example. (C/E)

Gain More Contractor Representation in Multiparty Monitoring. Industry representatives are invaluable in multiparty monitoring efforts because of their knowledge of community contractor capacity and interest, innovative methods for restoring landscapes and local capacity to utilize restoration byproducts. Yet, even established multiparty monitoring efforts report limited participation of contractors, which results in projects that might not capitalize on local abilities, needs and expertise.

Contractors generally face financial barriers to participating in stewardship project collaboration and monitoring, and meetings are often held at a time that is inconvenient for them. Some feel that their participation might be seen as a conflict of interest, or they are unsure of the direct value they will gain from the investment. They are typically unclear on the objectives and benefits that monitoring brings to a project. Further, agencies and interest groups have not traditionally done outreach to the contractor community as they might have with other sectors.

Fund Monitoring. Some Roundtable participants felt that the fact that the Forest Service does not currently fund multiparty monitoring on a project level is an impediment to the success of stewardship projects. The revised Handbook is reported to allow funding for monitoring from retained receipts – but it is felt that these new “incidental” funds won’t be adequate. Community and environmental participants recommend:

- Provide cost-share funding for the Forest Service to work with research institutions to conduct monitoring. Provide some incentives for research organizations to get involved with the Forest Service. (C/E)
- If a project has a research component, it should be prioritized for funding.

<u>Need to Improve the Effectiveness of Monitoring so it Benefits Future Stewardship Projects</u>

Structure Monitoring to Support Adaptive Management. While there are exceptions, Roundtable participants noted that very little current project monitoring is being used to adaptively manage projects or improve future projects. Indicators sometimes focus too much on the implementation of an activity (implementation monitoring), and not the resulting impacts and whether they meet project objectives (effectiveness monitoring). Monitoring processes often fail to address questions of project effectiveness that would be most valuable in assessing the success of the restoration project. Without adequate incentives and/or investment in monitoring we will be limited in our ability to get social agreement on stewardship projects and forest restoration in general.

Roundtable participants pointed to the ad-hoc process and lack of guidance on monitoring initiatives as one reason for their general lack of effectiveness. Expertise in developing monitoring protocols, indicators and measures is often lacking when a group sets out to establish a monitoring program. Data may be missing or out-of-date. There is confusion over the level of rigor that is needed, particularly with ecological and long-term monitoring. It is common for indicators and data to not really address project objectives.

Because basic feedback mechanisms are missing, lessons are not being incorporated into the next phases of the project, future projects, or policy discussions. Additionally, the focus of monitoring plans is often on environmental measures and not on social, economic, local benefit, or other key aspects of stewardship contracting that merit monitoring.

Roundtable participants suggest these measures to better integrate monitoring into future projects:

- When a new stewardship project proposal is submitted, the business plan should state what they learned in previous stewardship projects to show that the forest is applying lessons learned. (C/E)
- Ask a question about monitoring in the project proposal form, and what was learned about your previous stewardship project. Add adequate response to this question to approval criteria. (C/E)
- Recognize that for monitoring to be effective, it must be long-term.
- Develop assurances that monitoring data will be used (know what the data is being collected for and who will be using it – include that information in the monitoring plan) (C/E)

Address Cumulative Effects. Monitoring cumulative effects with some scientific rigor is important to many stakeholders. This would require more long-term monitoring. However, by basing stewardship project monitoring in the community collaborative context, projects are seated with an inexperienced citizen-based monitoring team that cannot provide scientific expertise or a rigorous protocol. Scientifically rigorous monitoring is expensive. This gap between the community and environmental participants' call for scientifically rigorous monitoring and the lack of appropriate capacity to get it done is a systemic problem.

Roundtable participants recommend:

- Encourage partnerships between university research institutions and collaborative stewardship groups. (C/E)
- Seek involvement of research universities with separate funding to support scientifically rigorous monitoring. As an example, the Community Forest Restoration Program (CFRP) in New Mexico helps community forestry groups design monitoring projects to match their need and type of concern. It helps groups determine what kind of data is appropriate for citizens to collect. Although, there are reported problems in implementing multiparty monitoring in CFRP. (C/E)

INDUSTRY SHIFT TOWARD STEWARDSHIP: CHALLENGES OF ADAPTATION

Stewardship projects are intended to bring the benefits of a local workforce's familiarity and growing expertise to holistic forest restoration projects. For this scenario to play out as intended, the industry has to respond to stewardship opportunities by building capacity and shifting to a new mode of work. Stewardship projects may include a wider range of tasks, and may call for subcontracting with specialized contractors, for example. Contractors also need to learn a new way to bid on projects by proposing their services as the best value to the government, in addition to price. Roundtable participants recognize that this is a time of transition for the contracting industry, Ultimately, if the challenges of adaptation are too steep, actual implementation of stewardship projects will suffer.

Roundtable participants identified that a major challenge in implementing stewardship projects in some communities is a lower than expected response from the industry. Community collaborative groups note that few contractors are getting engaged in the collaborative processes surrounding stewardship projects. This is particularly true of the local and smaller contractors that the authorities are intended to reach. In general, contractors represented at the Roundtable perceive that their participating in a stewardship project collaboration or multiparty monitoring would result in only marginal benefits to their business. They report that many contractors see participation in the collaborative processes as having no benefit.

Dealing with new project types, new contract types and new ways of bidding is challenging the industry. Bundling project activities that have previously been separate, such as green timber sales and watershed restoration tasks, is taxing industry capacities. The need to develop new patterns of subcontracting also poses problems for the way some contracting companies are currently oriented.

Most of these challenges are the result of a steep learning curve and the difficulty of shifting the contracting industry's capacity to meet new needs. However, some of the identified barriers could be addressed immediately, such as the way that projects are bundled, the leeway for innovation in RFPs and by providing more guidance on responding to RFPs. Contractors framed the difficulty of building capacity, "How can you get a work force if there is no program of work?" The lack of a consistent program of work in stewardship type activities was noted by participants as a major reason that the industry is not able to transition more quickly.

Need to Reconcile Project Design with Contractor Capacity

Address Benefits of Bundling. Forest Service staff at the Roundtables found that bundling diverse tasks together in stewardship contracts is important to maintain contract efficiency. "Contract administration can be very inefficient with small contracts." They also find that bundling is the best way to pursue an ecosystem approach.

Address Risks of Bundling. At the same time, contractors identify that bundling diverse tasks into contracts can pose a new level of risk to their businesses. Either the bundled projects call for capacities that contractors don't have, or that would be very costly to build. Contractors report that the financial risks of combining timber and service tasks are limiting their willingness to bid on projects. Contractors most familiar with service work find added uncertainty with integrated contracts that include timber removal, because timber contracts don't call for set wages but instead rely on prevailing wage rates. The lack of familiarity with wage systems makes it difficult for contractors to estimate their costs accurately. Where stewardship projects also include work on private land under the Wyden authority, contractors may be at a disadvantage as they compete against nonprofit or other entities that do not have to meet the same higher wage rates.

Meet Bonding Requirements with Flexibility. Bonding is also a source of strain for contractors accustomed to pursuing only timber contracts. The financial hurdles to providing the required level of bonding are still too steep for many small contractors. “The bonding issue is a problem for contractors. [Bonds are] difficult to obtain because no one understands what we’re trying to do.” While phasing of the bond requirements over the course of a project is one proven solution to this problem, it is not widely used. Misunderstandings about what level of bonding is required in stewardship projects are common. Both contractors and Forest Service staff need to understand bonding requirements better. Roundtable participants noted that some projects have required too much or overly-cumbersome bonding, limiting contractor response to the projects:

- Phase bond requirements over the course of a contract so that a large bond is not required before any of the work starts. (Cont)

Recognize Limits to Subcontracting. Subcontracting portions of larger bundled projects is seen as the logical answer to the challenge of an industry that is currently not as integrated as stewardship project tasks are. But problems with subcontracting also abound. While providing more flexibility, subcontracting also cuts into the profit margin for primary contractors, lowering their incentive to bid on a project. Community stakeholders report that specialized contractors whose skills might be instrumental in a stewardship contract don’t feel like they have access to stewardship projects or do not hear about the work in time to introduce themselves to primary bidders and get incorporated into proposals. Forest Service staff wondered how contracting officers can help smaller contractors get involved in the sometimes complex bidding and RFP response process.

Forest Service participants maintain that contractors will begin to use more subcontracts to meet the needs of stewardship project. “This is a learning curve problem and an industry adjustment problem. It is going slowly and the result is we are not seeing a lot of bids on some projects. Flexible capacity is not there in the industry yet.” “Industry folks aren’t restoration experts and vice versa. Purchasers don’t normally sell labor, they usually buy logs.” They felt that the capacity will be built if stewardship projects deliver a level of consistent work.

Forest Service staff report some success with the use of optional bid items. Making some items optional is a way to encourage responses from contractors who may not be comfortable with all stewardship tasks. “Those who wanted to be traditional loggers didn’t have to bid for projects they weren’t comfortable with. For example, if you don’t want to do noxious weed removal, you don’t have to.” They recognize that, if this feature of an RFP is not explained well, contractors will fear they will be penalized for not including all items in their proposal. “We need to be more explicit, place a value on an optional item, so you know if you will be docked if you chose not to do that item.” However, Forest Service contracting officers disagree as to whether this provision is available to them in stewardship contracts.

Design Each Project with Local Capacity in Mind. A prevailing view is that each stewardship project should be designed with its own local industry capacity in mind. All Roundtable participants agreed that collaborative stewardship project groups and agency staff need to figure out what package of project tasks best fit project needs. Projects should also fit the needs of local contractors to build capacity. They note that some projects lend themselves to bundling and others don’t. “You have to know local contractors and abilities.” Participants recommended that forests and collaborative groups make a concerted effort to do market research and learn about the capacity of the local industry. “The process is also about learning about who else is out there.” Other suggestions include:

- Ask local contractors/ businesses what they want and need in a contract. (FS)
- As a model of market research into local contractor capacities the NE Washington Community Forestry Coalition built an "address book " of contractors. The Hungry Hunter developed a similar list. (FS)
- Have local contractors involved in the collaborative process if you can. THEN you can decide to bundle or not to meet local needs. (C/E)
- Use optional bid items. (FS)
- Package "doable" projects so contractors can earn profit. (Cont)
- Package contracts to fit range of available contractors' capabilities. (Cont)
- Beef up "instructions to offerers ." Tell them what you are looking for. (FS)
- We need a better explanation of the community-benefit requirement. Is this just an economic benefit? Should projects be designed specifically for local economic benefit? Do we want to restrict the definition of the local area, which may mean we end up paying more for the work because there is a smaller pool of contractors to choose from? (all)
- Provide a long-term program of work that will help the contractors so that they can rebuild the local workforce. (all)
- Provide a schedule of meetings to contractors ahead of time so they know when to show up to give input on things they care about. This would allow contractors to provide strategic input at strategic times. (Cont) (C/E)

<u>Need to Improve Requests for Proposals (RFPs)</u>

Allow RFPs to Foster Innovation. Contractors represented at the Roundtables found typical RFPs too limiting. They felt that RFPs need to be more open to contractor innovation. Sample contracts may be too specific in their direction on how to accomplish work. Because stewardship projects are supposed to focus on the "end results," Roundtable participants stressed that there should be room for innovation. They find that in an effort to be specific, RFPs do not leave room for new ways to address project needs. For example, contractors recommend:

- Instead of specifying use of a cable yarder for a project that includes a steep slope, allow responses to the RFP to propose other combinations of equipment to address flat areas and slopes separately. (Cont)
- Instead of not being allowed to disturb owls until eight in the morning, why not give contractors decibel limits that allow them to do other work earlier in the day. (Cont)
- Instead of a restriction that limits work until the month of April, provide sediment limits.
- Create projects that can work year-round to keep costs down. (Cont)
- Make sure that contract administrators understand service contract modification flexibility and process. (Cont)
- State in the RFP that alternative proposals are encouraged and welcome. (all)

Participants acknowledged that this is a trust issue between the Forest Service and contractors. The Forest Service should provide more quantified information in the RFPs to support the case for limitations on technique that are meant to ensure resource protection. Sharing these actual requirements for restrictive measures would allow contractors to better understand project requirements and respond with better proposals.

Make RFPs More Explicit. While Roundtable participants urge that RFPs need to provide room for innovation, they also called on them to be more specific, particularly with service items. The desired end result should always be clear in the RFP:

- If an RFP includes a work task to "replace boards" it should be accompanied by more detail on what material would be suitable, alternatives. (Cont)
- Maps should be clear. (Cont)
- Exhibits should be complete. (Cont)
- Designation by prescription causes the contractors to invest a lot of time and money in preparing proposals. It is hard for contractors to do accurate appraisals with designations by prescriptions. This raises the risk to the contractor. (C/E)

<u>Need to Make Bidding & Selection Less Complex</u>

Contractors find the contractor selection process insufficiently transparent. "The selection process needs to be presented to contractors so it doesn't look like black box. Contractors can't figure out how it really works." Contractors and Forest Service participants alike are troubled by the complexity of the standard stewardship contracts IRC-T-2400-13T (tree measurement/lump sum timber contract), IRC-T-2400-13 (scaled timber contract), and IRC-S (service contract). The sheer length of the contracts is overwhelming for smaller projects. The complexity of the contracts inhibits the development of new projects. It also inhibits bids from contractors.

Forest Service staff said, "It is a mistake to continue to mix [acquisition and timber sale regulations]. Previously it was simple, we knew what requirements were. Now the RFP process for purchasers is complicated and unknown." Uncertainty about the criteria, definitions of best value and weighting of different factors discourages bidding, which lowers the chance that the forest will receive the best value. "It is a huge time/money investment that some are not willing to make." Suggestions include:

- Define what best value means (all)
- Simplify the bidding process. Get away from the fluff. (Cont)
- Clarify mandatory parts of the proposal and distinguish them from optional elements. (Cont)
- Don't require a logging plan. Just require information supporting that the company has the expertise and past performance to do a logging plan. Require that the company submit information about their capabilities and expertise (key personnel, tools, etc.). It is a waste of money for all companies submitting proposals to do a full logging plan. Do the logging plan after the project is awarded. (Cont)
- Reduce the financial risk to contractors with built-in mechanisms for flexibility. (C/E)
- In the interest of limiting the cost of submitting a proposal it should not be necessary to re-propose what is already specified. In response to a very prescriptive sample contract, contractors would like the option to say, "We will do exactly what the Forest Service said in the sample contract." (Cont)
- Do not require contractors to submit bios of contractors and sub-contractors. This is redundant because most names came from the Forest Service. (Cont)
- Allow oral bidding for timber part of projects. Do a proposal just for the services. (Cont)
- Allow a flat rate rather than escalation for contracts to provide more certainty for contractor and the agency. The possibility of price escalation (or de-escalation) several years out poses additional risk for contractors. (Cont)

Be Aware That Stressing Use of the Local Workforce Doesn't Always Work. Forest Service and contractors also both commented that a heavy focus on local workforce development can sometimes leave a project with no viable workforce options. "Some projects add points for hiring local people but if a project is small, contractors can't afford to train and hire people. Sometimes there is no one to hire. If there are no suitable local resources to hire what do we do?" They stressed that sometimes, because of local workforce capacity, the only local benefit will be that the contractor's employees will buy food in a local grocery store.

- Roundtable participants stressed the importance of knowing the local industry capacity, and warned that forests not set up projects that will leave contractors unable to meet technical requirements. (all)
- Define what "local" means in a RFP. Set geographic boundaries broad enough to get enough contractors to bid. (Cont)

FOREST SERVICE SHIFT TOWARD STEWARDSHIP: CHALLENGES OF ADAPTATION

Need Mentoring to Spread Success

Learning a new set of authorities and adapting older systems to meet new needs is challenging for all. Participants noted how much success with stewardship contracting is just mastering new techniques. They ask that the Forest Service help successful stewardship project participants advise and mentor those just starting new projects and collaborative project design processes.

- Collaborative groups should share with the ones just getting started. Forest Service staff working on stewardship projects should promote mentoring to benefit from one another's expertise. (C/E) (FS)

Overall, Roundtable participants pointed to the need for more attention from Forest Service staff to stewardship's particular needs. They also pointed out a need for more cross-training of Forest Service staff.

Need More Staff & System Support from the Forest Service

Community and environmental stakeholders find that some agency staff attitudes are still less than conducive to successful implementation of stewardship projects. They report that, "There are people who are assigned to stewardship contracting that feel that it is a 'bother.'" Other challenges are posed by systems within the agency that are a poor fit with stewardship. For example, the way project budgets are put together and tracked fits uncomfortably with the way stewardship project activities are integrated. Funds provided by partners to pay for stewardship project objectives do not get acknowledged in reporting with existing systems. The result is that some projects do not seek integration of outside partners and the resources they could bring to project objectives.

National Forests contracting staff are getting downsized. The diminishing capacity to develop contracts is compounded further by increasing centralization of contracting functions. With more strain on a smaller workforce some forest leaders are evidently not making contracting officers available to stewardship projects in their very early stages. This is a problem for stewardship project design. Roundtable participants felt that forest leaders need to express support for stewardship by assigning acquisition contracting staff, as well as timber contracting staff, to participate in collaborative stewardship project design discussions. Some forests are allowing acquisition contracting officers to get involved in stewardship projects only after they are fully developed and funded. When this happens frustration and wasted time are the results; projects are allowed to progress down dead end paths without the information that a contracting officer can provide. One solution:

- Ensure the involvement of a contracting advisor early on to advise collaborative project development. (FS) (C/E)
- The ID team should have a job code at the earliest collaborative stage to allow Acquisition contracting officer to participate/advise off and on in first stages. (FS)

Promote Cross-Functional Use Of Stewardship. Roundtable participants noted a lack of "cross-functional understanding" of the opportunities that stewardship authorities provide. Many resource needs could be met through stewardship contracting projects if Forest Service staff worked in a more integrated way in project design. When Forest Service staff are not communicating across functional areas, such as between timber and weeds or fish, opportunities to create stewardship projects that address the diversity of resource needs are missed. One person commented that “Some specialists have no idea how stewardship will benefit them.”

A dominant focus on stewardship contracting as a tool for fuels reduction is, some community and environmental stakeholders believe, disenfranchising other resource priorities. Forest Service staff agreed that encouraging this cross-functional team approach must be encouraged from leadership at the regional, forest and district levels. Suggestions include:

- Provide more leadership. (FS) (C/E)
- Have a stewardship section in program lead meetings (FS).
- Promote cross-functional pollination of ideas. Use training to integrate. (FS)
- Promote training across GS level groups in the Forest Service as well. The aging workforce will become a problem as people with expertise retire. (Cont)
- There is a real sense in working with the Forest Service that there is an old versus a new way of doing things. We need Forest Service employees with the new mind-set. (C/E)

CONTRACTS: FOREST SERVICE & CONTRACTORS CALL FOR SIMPLIFICATION

Forest Service and contracting participants at the Roundtables agreed that the stewardship contract templates IRC –T- 2400-13T, IRC-T-2400-13, and IRC-S are too complex. Contractors find it difficult to understand and contracting officers find it an unwieldy package. "The D.C. contract template is a mess. It intimidates and it is hard to use." Forest Service staff felt that "Not all contracts need to be a half-inch thick to get work done. We need a simpler format." Contractors felt that "The contract doesn't facilitate understanding of the end result objective." Other Forest Service staff felt that the problem lies with the KT-GT9 project provision. Recommendations are:

- Make it smaller and simplified, more user-friendly. (FS)
- Make the project clause KT-GT9 incorporate better service contract requirements. It needs more attention and maybe it's own section. (FS)
- Need more direction on how to incorporate specifications in a meaningful way. It should not be just an afterthought to include service contract specifics. (FS)
- Need more fluidity between the two contract types – timber and service. We just need one system that works. (FS)
- Need to break down the format of the template into a Menu of project templates to chose from. This will allow flexibility but also accuracy. (FS)
- Need cross-training between acquisitions and timber contracting officers (FS) (Cont)

Same Day Scale Requirement. Some requirements in stewardship contracts create what are perceived to be unnecessary financial and logistical obstacles for contractors. For example, some forest staff and contractors are not clear on their ability to "hold over loads." Without the flexibility to park overnight on long hauls they can't get enough loads in a day. It would reduce the cost to the purchaser if they could maximize the number of loads that get to the mill in a day by taking loads half-way and parking overnight.

- Contracting officers DO have the ability to facilitate this by documenting locations to park overnight. This isn't widely understood. (Cont)
- Hire someone in a service contract who can take tickets so that the Forest Service can point out that process as being separate from purchasers. (Cont)

AUTHORITIES: FINE TUNING USE OF STEWARDSHIP AUTHORITIES

A number of measures were recommended by Roundtable participants to improve the effectiveness and efficiency of stewardship projects. These include:

- Designation by prescription authority works well and should be expanded. It is end-result oriented. It saves the government a lot of money. Contractors add, "We would love to get designation by prescription available outside of stewardship projects too." (Cont)
- Designation by prescription is being used in some places. Other places hesitant to use it. Share the success of these projects. Allow flexibility for this. (Cont) (C/E)
- Don't use lump sum stewardship. Where possible, use scaling to limit the extra time and expense borne by contractors bidding on the projects. (Cont)
- Pass on the cost of marking to the contractor. (Cont) (C/E)

Use Weight Scale. There is miscommunication or misunderstanding regarding the use of the weight scale measurement with designation by description. While use of the weight scale is possible, there may be local problems with its implementation that are not sufficiently understood around the Region. This is an internal Forest Service misunderstanding. There is uneven understanding around the Region about how and when to use weight scale. This topic needs clarification.

Use 10-Year Authorities. The 10-year authorities are not being used. While some forests are using longer term contracts, long-term stewardship projects are rare. Using this authority would help balance ecological urgency with market fluctuations. Forests are concerned that they be able to get projects through NEPA and possible litigation in a timely way and meet financial obligations to contractors over a multi-year period. If it is a service contract – don't know if Congress will continue to appropriate funds for it over time.

APPENDIX I - LIST OF ROUNDTABLE SERIES PARTICIPANTS

Forest Service

Monty Bell, Siuslaw NF
Kris Bellini, Okanogan-Wenatchee NF
Karen Bennett, Siuslaw NF
Jeff Blackwood, Umatilla NF
Phil Cruz, Deschutes NF
Michael Daugherty, Region 6
Vickie Dunaway, Deschutes NF
Brad Flatten, Okanogan-Wenatchee NF
Bob Flores, Deschutes NF
Carl Frounfelker, Siuslaw NF
John Gerritsma, Rogue-Siskiyou NF
Cynthia Glick, Deschutes NF
Glenda Goodwyne, Mt Hood NF
Al Hahn, Fremont-Winema NF
Bob Hathaway, BLM - Oregon
Peggy Kain, Region 6
Tom Ketchum, Okanogan-Wenatchee NF
Marianne Klingler, Wallowa-Whitman NF
Rebecca Kreachbaum, Ochoco NF
Yvonne Leasy, Siuslaw NF
Carl Linderman, Rogue-Siskiyou NF
Cathy Lund, Ochoco NF
Ed Maffei, Colville NF
Randy Menke, Umpqua NF
Carla Monismith, Wallowa-Whitman NF
John Owen, Region 6
Judith Parker, Deschutes NF
Janet Paul, Siuslaw NF
Jerry Polzin, Mt Hood NF
Jim Rice, Mt Hood NF
Jim Roden, Mt Hood NF
Chris Rusch, Umpqua NF
Andrei Rykoff, Mt Hood NF
Gerry Smith, Fremont-Winema NF
Jeff Trejo, Siuslaw NF
Robert Turner, Siuslaw NF
Arlo Vanderwoude, Okanogan-Wenatchee NF
David Zalunardo, Ochoco NF
Mary Zuschlag, Siuslaw NF

Contractors

Josh Anderson, Vaagen Brothers
Carl Bjelland, Weyerhaeuser
Chris Charters, Methow Valley
Gerald Keck, Georgia Pacific
Dave Kunert, Hampton Affiliates
JD Marshall, Swanson Group
Lloyd McGee, Vaagen Brothers
Todd Merritt, George Pacific
Lee Miller, Miller Logging
Ed Pearson, Dodge Logging
Candace Persteiner, Persteiner Logging
Mike Searle, Swanson Group
Lane Selman, Georgia Pacific
Ron Simon, Longview Fiber
Brian Sines, Sines Co Timber Operations
Greg Williams
Bob Zacharias, Zacharias Logging

Community & Environmental Stakeholders

Jennifer Ayotte, RC&D Cascade Pacific
Emily Bartha, Sustainable Northwest
Susan Jane M. Brown, Lewis & Clark Environmental Law Program
Oshana Cantradides, Lomokatsi
Al Christoffersen, Rocky Mountain Elk Fnd
Jim Doran, NE Washington Community Forestry Coalition
Tania Ellersick, Lands Council
Maia Enzer, Sustainable Northwest
Rick Gruen, Clackamas Soil and Water Conservation District
Jeremy Hall, Oregon Natural Resources Council
Cece Headly, Alliance of Forest Workers & Harvesters
Linda Johnson, Alsea Watershed
Marcus Kauffman, Watershed Research & Training Center
Andrew Kittel, Alsea Watershed
Chandra LeGue, Oregon Natural Resources Council
Tim Lillebo, Oregon Natural Resources Council
Andrea Bedell Loucks, Pinchot Institute
Kathy Lynn, University of Oregon

Jay McLaughlin, Mt Adams Resource Stewards
Mary Mitsos, National Forest Foundation
Cassandra Moseley, Ecosystem Workforce Program
Mike Petersen, Lands Council
Louis Picard, Colville Tribal Resources
Emily Platt, Pinchot Partnership
Regan Smith, Conservation NW
Diane Snyder, Wallowa Resources
Karen Steer, Sustainable Northwest
Johnny Sundstrum, Siuslaw Institute
John Thiebes, National Wild Turkey Fed
Mary Vasse, National Forest Foundation
Lorah Waters, Methow Forest Owners Coop
George Wooten, Conservation NW

APPENDIX II – PARTICIPANT EVALUATIONS

June 10, 2005 – Bend, Oregon - Stewardship Contracting Roundtable

Comments
- Plenty of time was allocated to discuss and review projects
- Great session with working breathing stewardship in the trenches folks
- I think there are some misunderstandings between the Forest Service and the environmental community. A brief "stewardship" training at the beginning would be great. Have a contracting officer explain the different contracts – what multi year vs. a contract that lasts multiple years means, etc.
- Good job
- Difficult to summarize brainstormed into recommendations on short notice (we didn't have a lot of time left to make recommendations)
- Thank you for a productive day and good discussion
- Good discussion

What works well?
- Uncovering problems /road blocks to stewardship
- Groups by interest
- Group make up was good. Interaction seemed to work. Need a larger and more diverse industry segment.
- Small group session
- It was great to discuss things in small groups
- The small group of like interest
- A small group of different interest to go over items they do agree on.
- Issue-specific groups were a good idea
- Morning – the overview and review of things and subsequent questions. More freeform discussion was valuable.
- Dividing into small groups that were similar in interests. Wrap up went well.
- Liked separated groups – "safe" for all involved to speak unguardedly
- Great food and facility
- Small group breakout based on group/constituency represented

What could be improved?
- Recap did not do much for me or facilitate problem solving
- Mix the interest (groups)
- Give off the collaborative "group" concept. Collaboration can be done with individuals and combined into a collaborative policy just as well with a little effort by project proponents.
- It is very difficult to summarize notes from the flip charts at the end. It may be more worthwhile to just turn this in and then discuss everything. Maybe just pulling out the top 3 recommendations from each group
- As always in these meetings time restrictions hampered open discussion.
- Refer more to the sent-to-us readings as you size up the national stewardship perspective.
- Need more environmentalist – contractors dialog over common ground points
- End of day re-cap and presentation from discussion

October 20, 2005 – Wenatchee, Washington - Stewardship Contracting Roundtable

Comments

- I feel the program is generally going well. I'm worried about FS cutbacks and lack of management support. Will Roundtable comments really get to a platform for change or implementation?
- Interesting and enjoyable, good coffee is a bonus
- Stimulating and frustrating at the same time. Some potential solutions only uncover other road blocks. Multi-layered problems
- Better than average meetings
- I would like to have had more mixing of representatives just to be able to listen to other perspectives
- It is always good to get together and share – especially at this stage in stewardship implementation. We are all too busy to actively seek those opportunities so it was nice to have it offered.
- Good ice-breaker question!
- Would like to see the end results of the discussions and what will be done to implement ideas.
- This is a good process to pull thoughts on stewardship contracting from a cross section of the stakeholders involved
- Real good session. Good mix of people from all aspects of stewardship contracting.
- Good group of participants. Well moderated. Group participation and enthusiasm was stimulated by understanding that results of Roundtable will be passed along to the Region and maybe implemented.
- Collaborative approaches are a good surprise. Stewardship contracting appears to be such a boon.

What works well?

- Discussing problems in groups
- Stuck to timeline (Thank you!)
- Great facilitation – kept people focused, organized
- Information distributed prior to mtg (with adequate time) so participants were prepared
- Travel stipend – thank you
- One person who facilitates and another to type notes on computer
- Think-tank formats, small groups, focus on problems AND recommendations
- Smaller groups
- Break out groups were good
- Separating into expertise groups did allow for very specific problem and solution identification
- Lots of good sharing and ideas.
- Good format
- It was great to divide the problem ID and solution ID and dedicate adequate time for both
- I thought the agenda worked well
- Glad you were flexible on the breaks – didn't need a :30 minute break in the afternoon
- The small group break outs were very good.
- Roundtable approach
- Session followed timelines
- Think tank. Strong group of individuals
- Lunch
- Small groups focused on specific topics – focus groups.
- Good to have groups of knowledgeable of experienced people working on a common topic.

What could be improved?

- Meeting with nonprofits and industry. I would have liked to spend more time with non-government folks.
- Larger room or separate rooms to mitigate noise issue when group is separated
- Could have been interesting to select groups based on geography. Combine agency, industry and community groups. Since we already are working together in our respective areas on specific projects, examples and discussion could have been more focused.
- More expectations – format for Round 3 to get good results and clarification of issues
- More instructions from experts on policies and laws for better understanding by the groups
- Break out groups would work better for me in mixed groups instead of grouping by like representation
- A more integrated format would at least be interesting and might work well.
- A little more time
- I would have preferred mixed groups all day – maybe discuss specific projects?
- I didn't think the interest group break-out was preferred. I liked learning different perspectives when we crossed groups at the end
- Have more mix of stakeholders in Roundtable. Maybe expand to a 2nd day so FS hears industry, enviro collaboration issues at the time instead of reading them later. Work out differences and come up with common solutions.
- Need DNR and county individuals
- Allow for one small group session where individuals can select a group to participate in. That would allow a chance to discuss topics with people from other walks of life.