

BLM Timber Management through Stewardship Contracting

In May of this year, we wrote about doing business with the federal government. Remember this? *“Did you know your local federal agencies issue dozens of contracts each year for supplies, services, and even construction projects? As a business owner you may think that government contracts are only for large corporations, but that really isn’t the case. Small, local businesses can – and do – win government contracts on a regular basis.”*

This week, we’re highlighting stewardship contracting – a unique and locally-focused opportunity that achieves public land management goals while meeting rural community needs.

The management of public forest lands in Harney County focuses on forest health restoration, reducing the risk of catastrophic wildfire, and forest product sales for commercial timber and personal use permits (firewood, juniper bows, Christmas trees, poles). Remember that not all “forests” are made up of pine trees in woodland settings. Juniper forests across western rangelands are also a real concern, and the focus of many restoration projects on Bureau of Land Management (BLM)-administered lands.

To support forest management goals, the BLM may use (among other things) a timber sale, a service contract, or a stewardship contract. Let’s break it down:

- Timber sale: Purchaser pays the government for timber allotted in a sale. Sales are awarded based on high bid. Purchaser is responsible for private sale of harvested timber, profit margin, etc.
- Service contract: Contractor is paid by the government to complete a service, such as thinning or fuels reduction. The government outlines the work. Contracts are awarded based on a “best value” system, which allows for consideration of performance as well as bid price. Materials are available for salvage to the contractor at market-value cost to the contractor.
- Stewardship contract: Contractor is paid by the government to complete a service, such as thinning or fuels reduction. The government gives the “end result” desired for the project and the contractor proposes how he/she would accomplish the work. Materials are available for salvage to the contractor at market-value cost, which can be included as a value-to-value exchange in their proposal to the government. Contracts are awarded based on “best value,” with higher rating points given to contractors who show benefits to the local economy.

While both timber sales and service contracts are beneficial and effective, stewardship contracting combines elements of each that make it easier to meet ecological objectives in a more efficient and collaborative manner. One of the main benefits of a stewardship contract is that it adds value to traditionally “unmarketable” materials (biomass) from the project. Small-diameter trees and slash can be retained by the contractor and sold/utilized for things such as manufacturing wood pellets, power generation and lumber. Finding a use for all the wood fibers means the amount of wood burned in the forest/across rangelands is reduced, treatment costs to the taxpayer are less, and jobs are provided in the local community.

Currently there are four local contractors in Harney County who have been awarded one or more of six stewardship contracts since 2005. These contractors each employ two to six people and their contracts range from two to ten years. The length of the contracts provides the contractor additional time to recuperate up-front operational costs and potentially develop new markets for harvested materials (knowing their work and product supply will be steady for the



duration of the contract). Thousands of cants (a log slabbed on one or more sides) and other dimensional lumber, hundreds of cords of firewood and fencing/construction posts, and nearly 150 house logs have resulted from stewardship contracts in Harney County.

The opportunity for BLM to utilize stewardship contracting has only been available since the passage of the 2003 Omnibus Appropriations Bill, which amended a 1999 bill that granted only the U.S. Forest Service stewardship contracting authority. The Agricultural Act of 2014 gave both the agencies permanent authority. The Malheur National Forest and the Emigrant Creek Ranger District also use stewardship contracting, but the information here only reflects BLM projects in Harney County.

Check out this video on BLM's stewardship contracting process:

<https://www.youtube.com/watch?v=5YILWqXtgJc>

With questions about stewardship contracting or BLM forest management, call District Forester Jon Reponen at (541) 573-4475.