

September 16, 2003

Memorandum

To: Rebecca Watson
Assistant Secretary - Land and Minerals Management

From: P. Lynn Scarlett /s/
Assistant Secretary - Policy, Management and Budget

Subject: Stewardship Contracting Authority

In order to enhance the Bureau of Land Management's (BLM's) ability to achieve land management goals that meet local and rural community needs, Section 323 of Public Law 108-7 authorizes the BLM to enter into stewardship projects via agreement or contract, as appropriate until September 30, 2013. Through a memorandum dated July 9, 2003, BLM requested Secretarial delegation of contracting officer warrant authority for stewardship contracts as provided for in the statute. This memorandum specifies the delegation of authority and appropriate warrant level of contracting officers who enter into and administer these stewardship projects.

The legislation provides the BLM with three new authorities: (i) the ability to offset the value of timber or forest products produced as a by-product of the land management treatment for the cost of services received; (ii) the ability to retain any excess offset values for reinvestment into other stewardship contracting projects without further appropriation; and (iii) the authority to enter into stewardship contracts up to 10 years in length. The legislation also requires that stewardship contracts be awarded on a best value basis. It is expected that these provisions will increase the complexity of the contracting instruments used, thereby increasing the potential to require application of many of the more complicated procedures associated with source selection.

The Department of the Interior's Contracting Officers Warrant System specifies minimum Department wide standards for designating contracting officers. It specifies that contracting officers working on complex, large dollar value or specialized acquisitions must have additional specialized training and experience commensurate with their duties, as appropriate.

Therefore, authority to award/administer stewardship contracting projects, including those entered into by agreement, will be limited to Level III and IV contracting officers in the BLM's National Business Center and the BLM Oregon State Office. Starting in FY 2004, all contracts over \$100,000 using this authority shall be conducted as performance-based acquisitions. The requirement for performance-based acquisition does not apply to agreements.

Attachment 1-1

The contracting officer is delegated authority to determine the value (if any) of forest products required to be removed to achieve land management objectives and apply that value as an offset against the cost of services required under the stewardship contractor. When the value of the forest products exceeds the value of the services procured, the contracting officer will arrange for collection and deposit of the excess value into the appropriate fund.

Also in FY 2004, when a stewardship project uses Fire Plan funding or is primarily for fire plan purposes (hazardous fuels reduction or burned area rehabilitation) the project may be reserved for competition among small local entities or those willing to hire 50 percent or more of project staff locally. Solicitations must include an element requiring contractors to provide plans of how they will involve the local community in these stewardship projects.

After successful implementation of stewardship projects, BLM may consider authorizing contracting officers in additional locations to assist in the award of stewardship contracts and agreements. At that time, the Head of the Contracting Activity (HCA) should submit the nomination(s) to the Office of Acquisition and Property Management for review and approval.

Please contact Debra E. Sonderman, Director, Office of Acquisition and Property Management, on 208-6352 with any questions you may have.

cc: Kathleen Clarke, Director
Bureau of Land Management