



PINCHOT  
INSTITUTE  
FOR CONSERVATION

## The Role Local Communities Play in Developing Stewardship Contracts

FY 2008 Programmatic Monitoring Report to the USDA Forest Service

December 2008



*Leadership in Forest Conservation Thought, Policy and Action*



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**ABOUT THE PINCHOT INSTITUTE FOR CONSERVATION**

Recognized as a leader in forest conservation thought, policy and action, the Pinchot Institute for Conservation was dedicated in 1963 by President John F. Kennedy at Grey Towers National Historic Landmark (Milford, PA) – home of conservation leader Gifford Pinchot. The Institute is an independent nonprofit organization that works collaboratively with all Americans – from federal and state policymakers to citizens in rural communities – to strengthen forest conservation by advancing sustainable forest management, developing conservation leaders, and providing science-based solutions to emerging natural resource issues. Each year, the Pinchot Institute conducts policy research and analysis; convenes and facilitates meetings, workshops, and symposiums; produces educational publications; and provides technical assistance on issues that affect national-level conservation policies and the management of our national forests and other natural resources.

For more information on the Pinchot Institute for Conservation, visit [www.pinchot.org](http://www.pinchot.org).

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## Table of Contents

Report Section	Page
1.0 Executive Summary and Introduction	4
2.0 Methods	6
2.1 Telephone Survey	7
2.2 Response Rate	7
2.3 Regional Vetting Analysis	7
3.0 Results and Discussion	8
3.1 Survey Results	8
3.1.1 Perceptions of Stewardship Contracting	8
3.1.2 Local Community Involvement in Stewardship Contracting	9
3.1.3 Personal Involvement in Stewardship Contracting	13
3.1.4 The Collaborative Process in Stewardship Contracting	14
3.1.5 Local Benefits of Stewardship Contracting Projects	17
3.1.6 Support for Stewardship Contracting	18
3.1.7 Lessons Learned By Participants in Stewardship Contracts	19
3.2 Regional Vetting Analysis	19
3.2.1 Conditions preventing full community engagement in stewardship contracting.	20
3.2.2 Successful outcomes resulting from engaging communities in stewardship contracting.	25
3.2.3 Perceived benefits of stewardship contracting to communities.	26
4.0 Summary and Conclusions	27
5.0 Appendices	32
Appendix A: Survey Instrument	
Appendix B: FY08 Regional Team Reports	

## 1.0 EXECUTIVE SUMMARY

This report reflects results from the FY 2008 programmatic monitoring effort designed to fulfill the Congressional mandate to specifically monitor the role local communities have in the development and implementation of stewardship agreements or contracts. The report briefly outlines the survey and interview methodology used by the Pinchot Institute and its regional partners, presents the results of the study, and offers some recommendations for improvement.

The report explores some commonly perceived benefits of the collaborative form of land management that is embodied in the philosophy of stewardship contracting. The collaborative process is viewed as a way for the agencies to build trust while accomplishing more work on-the-ground in the long-term. As the agencies' use of stewardship contracting continues to evolve, the flexibility embedded in this contracting mechanism is viewed as both a weakness and strength. Stewardship contracting's role in fostering local community viability and economic resiliency is recognized as another major benefit of the approach.

Despite these perceived benefits, there are some major obstacles to realizing the full suite of benefits stewardship contracting offers. The regional teams identified the most significant problems associated with engaging local communities in stewardship contracts or agreements. These include the findings that; 1) many agency personnel, local contractors, and communities are still unfamiliar with stewardship contracting; 2) agency personnel are unclear about the role collaboration plays within the stewardship contracting authority; and 3) the contracting process needs streamlining before effective use of stewardship contracting will significantly increase.

The report documents in detail a number of options for the agencies to consider for better implementation of their stewardship contracting authorities. Suggested improvements for the better engagement of local communities are listed briefly here:

- Fully implement actions to increase the philosophical understanding of stewardship within the agency.
- Utilize non-traditional outreach methods to familiarize local communities with stewardship contracting.
- Incorporate community engagement into each national forest's strategic planning efforts.
- Collaboration skills should be included in agency recruitment criteria for a wide range of positions.
- Partner with and engage diverse organizations in stewardship efforts.
- Increase delivery of training and technical assistance to help local communities—especially contractors—navigate the stewardship contracting process. Partnerships should be formed with experts outside the agency to improve both traditional and non-traditional training.
- Provide managers with stewardship contracting decision tools.
- Use existing networks to communicate the message.
- Effective participation in collaborative efforts should be recognized and rewarded.
- Agency staff should take the time to build collaborative community relationships as part of their job, not as an additional task.

Other recommendations focus on a number of detailed options for policy or program changes for more effective and efficient use of stewardship contracts to achieve agency land management objectives. These include:

- A shift of agency performance measures away from output targets to outcome targets.
- Revisiting bonding and cancellation ceiling requirements.
- Offering longer-term stewardship contracts.
- Integrating emerging markets for woody biomass into stewardship contracts.
- Allow and encourage managers to use retained receipts to fund multiparty monitoring.

## INTRODUCTION

Together, the USDA Forest Service (USFS) and the Department of the Interior's Bureau of Land Management (BLM) are entrusted with the management of approximately 450 million acres of public land. With this responsibility comes a commitment to engage a diverse cross-section of the public in the management of these resources. Citizen participation in forest management is manifest in statutes like the National Forest Management Act (NFMA) and the Federal Land Policy and Management Act (FLPMA) and in the formal public involvement and review of USFS and BLM management planning and decisions through the National Environmental Policy Act (NEPA). With the increasingly complex nature of the threats impacting these resources, the early involvement of citizens—particularly those in communities near or adjacent to federal lands—has become a central aspect of managing these public goods.

Stewardship of National Forest System lands has changed in the past two and a half decades, just as the forests continue to change. A number of factors, including concerns over the impacts of timber harvesting on endangered species and old growth forests has led to a significant decrease in the utilization of these lands to support natural resource-based economies through timber extraction. An unintended consequence of this decrease in harvesting has been a decrease in active forest management and stewardship, while at the same time, various threats to forest health are intensifying. These threats include disease and insect outbreaks, catastrophic wildfires, invasive species, other direct and indirect threats associated with climate change, and in some instances the loss of key habitat features for certain endangered species. Stewardship end-result contracting has emerged as a valuable tool to address many of these chronic problems.

In 1998, Congress authorized a pilot project in which the USFS could develop a limited number of stewardship contracts and agreements designed to achieve agency land management goals and also benefit rural, forest-dependent communities. This innovative approach to contracting provides the agency contractual flexibility to accomplish needed activities by allowing, among other things:

- The awarding of contracts on a “best value” basis in which price is only one of several considerations;
- The exchange of goods for services;
- The retention of receipts for use in funding additional restoration activities;
- The designation by description or prescription of trees to be removed or retained;
- The awarding of contracts and agreements of up to 10 years in duration;
- The awarding of contracts through less than full and open competition.

The benefits of this approach were recognized early on in the pilot process and in 2003 Congress extended to both the Forest Service and the BLM the authority to award an unlimited number of stewardship contracts and agreements through September 30, 2013. As part of the on-going evaluation of the effectiveness of the stewardship contracting authority, both agencies are required to report annually to Congress on their activities and accomplishments in stewardship contracting, as well as how stewardship contracts and agreements engage local communities, state, tribal and local governments, and other interested parties in the development and implementation of agency land management objectives.

Since 2005, the Pinchot Institute for Conservation has facilitated an objective programmatic-level review for the agencies that assesses the role that local communities and other stakeholders play in stewardship contracting. These reports capture not only the successes, but also the concerns and frustrations that may arise in the use of a collaborative process that demands significant investments of time and energy from both agency staff and community stakeholders. The annual programmatic review has also identified some major themes through which stewardship contracts result in benefits to the forest resource (e.g., fuel reduction and habitat restoration), agency (e.g., improved public trust), and local community (e.g., economic development or adaptation). Past reports are a valuable record of the early development of the stewardship contracting authority. This year marks an important moment in the evolution of stewardship contracting. The major themes found within the 2008 report mirror much of what has been suggested by the regional teams in years past, which says a great deal about the nature of the concepts of *community* and *stewardship*.

## 2.0 METHODS

The Pinchot Institute worked closely with four regional partner organizations to elicit data from stakeholders involved with stewardship projects. This process included surveys conducted via telephone interviews, facilitated regional multiparty monitoring team meetings, and the synthesizing of collected data. The four partner organizations included:

- ***Flathead Economic Policy Center*** (Carol Daly) Northern Rockies and Northeast/Lake States
- ***Michigan State University*** (Maureen McDonough) Data Synthesis
- ***Watershed Research and Training Center*** (Nick Goulette, Lynn Jungwirth, Michelle Medley-Daniel) Pacific Northwest
- ***West 65, Inc.*** (Carla Harper) Southeast and Southwest

### 2.1 Telephone Survey

A primary data collection method was a telephone survey that was conducted to determine the role that local communities play in the development of stewardship contracts. The sample set consisted of individuals involved with stewardship contracts such as USFS personnel, community members, and contractors. To facilitate this national-level monitoring effort, the Forest Service Washington Office provided lists of authorized stewardship contracts on National Forest System (NFS) lands. From this list, 25% of stewardship contracting projects in each of five regions were selected using a stratified random sampling protocol developed by Michigan State University (MSU). The five defined regions of the United States included:

Northeast/Lake States:	CT, DE, IA, IL, IN, MA, ME, MD, MI, MN, MO, NJ, NH, NY, OH, PA, RI, VT, WI, WV
Northern Rockies:	ID, MT, ND, SD, WY
Pacific Northwest:	AK, CA, HI, OR, WA
Southeast:	AL, FL, GA, KS, KY, LA, MS, NC, SC, TN, VA
Southwest:	AZ, CO, KS, NE, NM, NV, OK, TX, UT

A questionnaire was developed collaboratively in 2005 by the Pinchot Institute and its partners, the USFS and BLM, reviewed and approved by the Office of Management and Budget, and used to collect all data relevant to the programmatic monitoring effort (See Appendix A). As interviews were completed, resulting data was compiled into uniform reports and sent to MSU. MSU coded all questions and responses for use with a software program for quantitative and qualitative analysis. MSU compiled the results from these analyses and shared them with the Pinchot Institute for regional and national level review.

## 2.2 Response Rate

MSU's stratified random sampling protocol identified a total of 71 USFS projects—across all regions—for inclusion in this year's programmatic monitoring effort. For each project, the agency project manager and two external participants were to be interviewed. Agency project managers for each selected project were asked to provide a list of community members and contractors involved in the project. From the project manager's list, the Pinchot Institute's regional contractors randomly selected two external participants to interview. This resulted in a total of 213 potential interviewees (71 projects x 3 interviewees per project). A total of 144 agency personnel and non-agency partners participated in the survey resulting in a 67% response rate.

## 2.3 Regional Vetting Analysis

In granting long-term authority to the Forest Service and the BLM to enter into stewardship contracts or agreements, Congress directed both agencies to include any cooperating county, state, federal or tribal governments—along with any other interested individuals—in a multiparty monitoring and evaluation process of stewardship projects. To meet this mandate, the Pinchot Institute and its partners organized, convened and facilitated five separate regional multiparty monitoring team meetings which included representatives from the USFS, BLM, forest products industry, research and higher education, state, county and tribal governments, land trusts, environmental and conservation organizations and many others.

The dates and locations of the regional team meetings included:

- **Northeast/Lake States Regional Team meeting:** October 27, 2008, Manchester, VT
- **Northern Rockies Regional Team meeting:** October 20, 2008, Jackson, WY
- **Pacific Northwest Regional Team meeting:** November 18, 2008, Portland, OR
- **Southeast Regional Team meeting:** September 12, 2008, Edgefield, SC
- **Southwest Regional Team meeting:** October 10, 2008, Santa Fe, NM

The regional teams were responsible for synthesizing regional data provided by MSU, analyzing the effects of regional conditions on the success and outcome of stewardship projects, exchanging any lessons learned in the region, and highlighting the benefits and obstacles of engaging communities in stewardship contracts in their region.

## 3.0 RESULTS AND DISCUSSION

The Forest Service Handbook (Chapter 60) describes the general purpose of stewardship contracting as a tool *“to achieve land management goals for National Forest System lands while meeting local and rural community needs.”* Better understanding local needs often involves intensive outreach and engagement efforts by the agency. Survey participants provided insight into the level of community involvement in the development and implementation of stewardship contracts or agreements.

## 3.1 Survey Results

### 3.1.1 Perceptions of Stewardship Contracting

Respondents were asked to explain stewardship contracting in their own terms. Many (44%) viewed it as a tool that builds community collaborative capacity for projects and provides benefits to local communities (Table 1), but it is important to note that half of non-agency respondents defined stewardship contracting in this manner and less than a quarter of agency respondents viewed it as such. Agency respondents were more likely than non-agency respondents to view stewardship contracting as a way to exchange goods for services (44.1% to 28.8%). Goods-for-services is one of several authorities extended to the Forest Service and BLM under Section 347 of the FY 1999 Omnibus Appropriations Act (P.L. 105-277). Agency respondents appeared more likely than non-agency respondents to highlight stewardship contracting as a way to get work done on-the-ground (33.8% to 15.1%). Roughly a third of respondents tied the idea of stewardship contracting being “new” to their definition of the contracting mechanism. One agency staff member remarked:

*“I think you get good projects – better projects – through the collaborative process and through a stewardship contract. I also think that the collaboration that goes along with this stewardship contract has a lot of benefits outside of the project itself – the relationships you build, the partnerships you build, etc.”*

Table 1. Respondents’ definitions of stewardship contracting.

Definition	Total Respondents (n=141)	Agency Respondents (n=142)	Non-agency Respondents (n=99)
Community collaboration/benefits	44% (62)	22.1% (15)	50.1% (37)
Goods for services	36.2% (51)	44.1% (31)	28.8% (21)
New contracting mechanism	34.8% (49)	38.2% (26)	31.5% (23)
Getting work done on the ground	24.8% (35)	33.8% (68)	15.1% (11)
Other	6.4% (9)	2.9% (2)	9.6% (7)

\*Respondents were allowed to provide more than one response.

Approximately 66% of all respondents indicated their view of stewardship contracting did not change as a result of their participation in a project (Table 2). Agency personnel were more likely to have changed their opinion than non-agency participants. Nearly 34% of Forest Service respondents—as compared to 16% of non-agency participants—indicated their view had changed after participating in a stewardship contracting project. It should be noted that the majority of non-agency participants had little to no prior knowledge of stewardship contracting, so there was little or no change in opinion to be measured.

Table 2. Changed views of stewardship contracting since involvement in project.

Changed views	Total Respondents (n=141)	Agency Respondents (n=68)	Non-agency Respondents (n=73)
Yes	24.8% (35)	33.8% (23)	16.4% (12)
No	65.9% (93)	55.9% (38)	75.3% (55)
Maybe	3.5% (5)	1.5% (1)	5.5% (4)
Don’t know	5.7% (8)	8.8% (6)	2.7% (2)

*“My view of stewardship contracting has changed to a positive experience, [but], you know, it’s a pain in the neck going through all that planning.” - Non-agency Interviewee*



### 3.1.2 Local Community Involvement in Stewardship Contracting

#### **Project Initiation**

Participants expressed differing views on whether the agency or an external organization had initiated a given stewardship contracting project. In just under half (46%) of the total responses, the USFS initiated the stewardship contracting projects (Table 3). Joint initiation occurred in a quarter of all projects. There was disagreement over who initiated the project 28% of the time.

Table 3. Entity which initiated the stewardship contracting project.

<b>Project initiator</b>	<b>Total Respondents (n=71)</b>
Agency initiated	33 projects (46%)
Joint	18 projects (25%)
Disagreement:	
– Agency vs. non-agency initiated	3 projects (4%)
– Agency vs. jointly initiated	17 projects (24%)

#### **Outreach Efforts**

The agency employed a number of outreach methods to garner participation in stewardship contracting projects. The most common (in over 60% of projects) included personal contacts, field tours, collaborative process meetings, traditional public meetings, and direct mail (Table 4). Other methods used in over half the projects included collaborative meetings, emails, presentations to existing community groups, and media efforts.

Table 4. Outreach methods used to involve local communities in stewardship contracting projects (n=71).\*

<b>Method of Outreach</b>	<b>%</b>
Personal contacts	87.3% (62)
Field tours	73.2% (52)
Collaborative process meetings	70.4% (50)
Direct mail	69.0% (49)
Traditional public meetings	66.2% (47)
Email	60.6% (43)
Presentations to existing community groups	57.8% (41)
Media	53.5 % (38)
Presentations to other organizations	26.8% (19)
Other	(8)

\*Respondents were allowed to provide more than one response.

*"It's a lot of work and a lot of just talking on the phone. I wasn't ready for that when I first started...It's amazing how much time I spent on the phone – not to mention the talking at meetings – with individual collaborators." - Agency Interviewee*

#### **Stakeholder Involvement**

Survey respondents were asked to indicate which entities participated in their stewardship contracting project. As shown in Figure 1 and Table 5, entities that participate in stewardship

contracts most often (greater than 69%) include the USFS, environmental organizations, state agencies, community businesses, and local government interests. Most of these participating entities were acting at the local level. Primary participants involved in at least half of the surveyed projects also included local adjacent landowners, contractors, wildlife and fisheries interests, and recreation interests.

Entities engaged at the state-level primarily included state agencies, as well as wildlife, fisheries and other environmental interests. It is worth noting that Table 5 suggests that the BLM is significantly more active at the state level than the USFS. This disparity may be at least partly due to the organizational and structural differences of the two agencies. The BLM's organizational structure may allow for more local participation and influence in local management decision making processes. Entities active at a regional level in stewardship contracting most often included environmental interests, the USFS Regional Office and fire interests. National representation came from the USFS, environmental interests, and wildlife and fisheries groups. Other participants named by the respondents—but not listed on the questionnaire—included watershed councils, state forestry associations, energy, timber, mining and grazing interests, local land trusts, Resource Advisory Councils and soil and water conservation districts.

Table 5. Participating entities and scale of involvement in stewardship contracting projects.\*

Participating Entities	% Involvement	-----Scale of Governance -----			
		% Local	% State	% Regional	% National
USFS (n=71)	100	100	12.7	32.4	4.2
Environmental interests (n=55)	77.5	81.8	43.6	29.1	9.1
State agencies (n=49)	69	79.6	59.2	2.1	---
Local government (n=49)	69	100	18.7	2.1	---
Community business (n=49)	69	95.9	8.2	---	---
Adjacent landowners (n=47)	66.2	100	4.3	2.1	---
Contractors (n=47)	66.2	97.9	14.9	10.6	2.1
Wildlife and fisheries (n=40)	56.3	80	52.5	10	7.5
Recreation interests (n=36)	50.7	94.4	19.4	8.3	2.8
Other federal agencies (n=28)	39.4	67.8	75	25	---
Fire interests (n=28)	39.4	96.4	28.6	14.3	3.6
Tribal interests (n=25)	35.2	76	28	8	4
Education interests (n=25)	35.2	76	36	12	---
Right to access groups (n=15)	21.1	93.3	13.3	---	---
BLM (n=13)	18.3	100	38.5	7.7	---
Other (n=20)	28.2	85	10	10	---

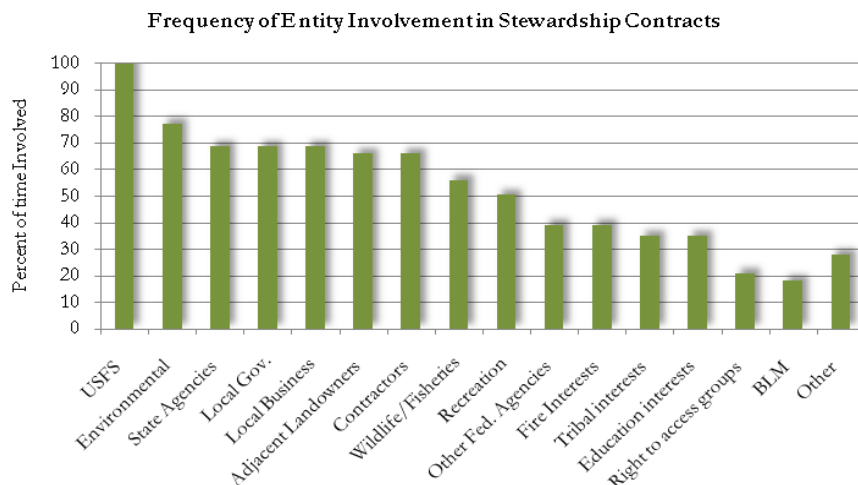
\*Respondents were allowed to provide more than one response.

While these results are encouraging, many stewardship projects—particularly smaller fuel reduction projects—have come to operate more as direct timber sales, with “collaboration” and broad participation occurring as an afterthought.

*“When [stewardship contracting] first came out, we always talked about how you have to go to these groups [and collaborate]. It was very much a group-oriented [concept]. These [fuels projects] turned out to be very personal. There aren’t the groups here, and sometimes you have to go out and chat with [potentially concerned individuals] one-to-one or with small groups on the trail to find out what some of the issues are there.”*

- Agency Interviewee

Figure 1



### **Role of Local Communities**

Survey participants were asked to provide their thoughts on the role that local community played in a stewardship contracting project. As part of this question, respondents were asked to explain their definition of “local community.” While their definitions were broad, respondents most often understood the local community to be the *counties* surrounding the concerned National Forest (Table 6). Close to 40% of agency and non-agency respondents defined the local community as the *communities or towns* that are situated within or near National Forest System lands.

Table 6. Respondent definitions of “local” community.\*

Definition of “local” community	Total Respondents (n=139)	Agency Respondents (n=69)	Non-agency Respondents (n=70)
Counties around the forest	36.9%(52)	42.7%(29)	31.5% (23)
Communities/towns around forest	20.6% (29)	23.5% (16)	17.8% (13)
Whole state/large region of state	10.6% (15)	7.4% (5)	13.7% (10)
National forest	9.9%(14)	5.9%(4)	13.7%(10)
People affected/affected areas	8.5% (12)	7.4% (5)	9.6% (7)
Adjacent landowners/neighbors	8.5% (12)	10.3%(7)	6.9% (5)
Collaborative group	3.6%(5)	4.4% (3)	2.7% (2)

\*Respondents were allowed to provide more than one response.

Most (greater than 67%) suggested the local community’s role included providing comments and recommendations, becoming informed, and representing concerned or affected local interests and participating in project planning and design (Table 7 and Figure 2). A majority of respondents suggested the community’s responsibilities also included: providing outreach, assisting in development of alternatives, assisting in implementation, and providing technical assistance. Just over half of respondents reported that community members played a role in actually implementing the stewardship project.

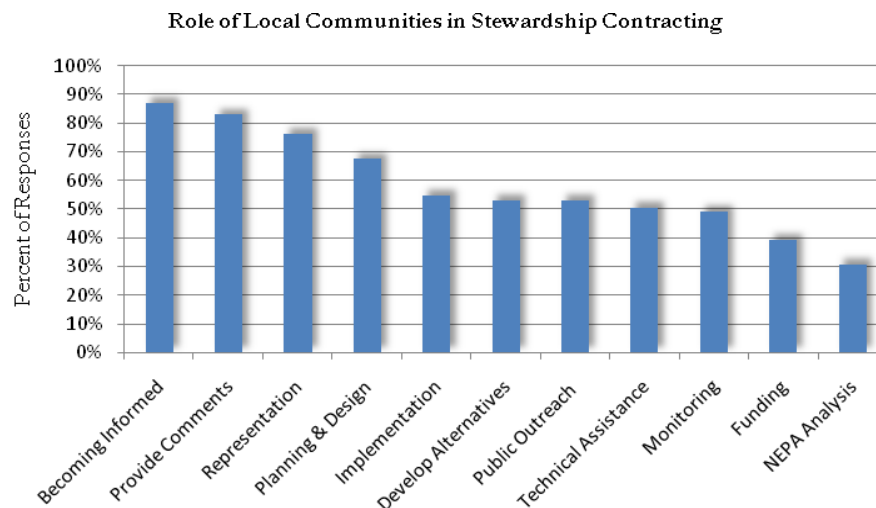
Table 7. Role of local communities in stewardship contracting projects (n=71 projects).\*

Role of local community	%
Becoming informed	87.3% (62)
Comments and recommendations	83.1% (59)
Representation	76.5% (54)
Planning and design	67.6% (48)
Implementation	54.9% (39)
Development of alternatives	53.2% (38)
Public outreach and education	53.2% (38)
Provision of technical information	50.7% (36)
Monitoring	49.3% (35)
Funding	39.4% (28)
NEPA analysis	30.9% (22)
Other	(1)

\*Respondents were allowed to provide more than one response.

*“Members of conservation groups are also members of the local community. This is an educational opportunity for youth – through [my organization] we’re going to try to get some of the youth involved out here on the ground. It’s public education.” - Community Member and Conservationist*

Figure 2



### 3.1.3. Personal Involvement in Stewardship Contracting

#### Circumstances Surrounding Participation

Survey participants explained the circumstances leading to their participation in a stewardship contracting project (Table 8). In many cases (39%) respondents’ involvement was part of their job responsibilities, which occurred more frequently among agency (57.4%) than non-agency (21.9%) respondents. Only 2.9% of agency respondents reported their involvement was due to their role in the community, where as 21.9% of non-agency respondents felt that their role in the community was their primary reason for their involvement.

Table 8. How respondents personally first became involved in stewardship contracting projects.

How participants become involved in projects.	Total Respondents (n=141)	Agency Respondents (n=68)	Non-agency Respondents (n=73)
Job	39% (55)	57.4% (39)	21.9% (16)
Role in the community	12.8% (18)	2.9% (2)	21.9% (16)
Contacted to bid	9.9% (14)	---	19.2% (14)
Invited by agency	9.9% (14)	---	19.2% (14)
There was a problem to solve	8.5% (12)	14.7% (10)	2.7% (2)
Was told to	5.7% (8)	10.3% (7)	1.4% (1)
Other	14.2% (20)	14.7% (10)	13.7% (10)

### **Reasons for Engagement**

Circumstances may have led some survey respondents to take part in stewardship contracting projects, but participants also had personal incentives to participate (Table 9). Agency respondents were often involved—over half of the time—because it was part of their job responsibilities. Others, including 31.5% of non-agency respondents—participated because of their desire to get work done on-the-ground. Nearly 28% of the agency respondents reported that their interest in using stewardship contracting is what got them involved.

Table 9. Reasons why respondents decide to be involved in stewardship contracting projects.

Reasons why participants become involved in projects.	Total Respondents (n=141)	Agency Respondents (n=68)	Non-agency Respondents (n=73)
Job	32.6%(46)	55.9%(38)	10.9%(8)
To get work done on the ground	22%(31)	11.8%(8)	31.5%(23)
Interested in using stewardship contracting	19.9%(28)	27.9%(19)	12.3%(9)
Business	7.1%(10)	---	13.7%(10)
Live and own property there	7.1%(7)	---	9.6%(7)
Role of organization	7.1%(7)	---	9.6% (7)
Role in community	2.8% (4)	---	5.5%(4)
Other	5.7% (8)	4.4% (3)	6.8% (5)

## **3.1.4 The Collaborative Process in Stewardship Contracting**

### **Nature of Community Involvement**

Respondents were asked to rate the degree to which community involvement in their stewardship contracting project was collaborative. As part of this question, participants were to provide interviewers with their own definition of “collaboration.” For many (45%), collaboration meant working with others while 19% viewed it as achieving a common goal (Table 10). Some viewed collaboration as bringing together diverse views and interests, public involvement in the process, or gathering public input. Only a few respondents inside or outside the agency indicated there was no need to collaborate.

Table 10. Respondent definition of collaboration.\*

Definition of Collaboration	Total Respondents (n=158)	Agency Respondents (n=114)	Non-agency Respondents (n=82)
Working with others	44.7% (63)	48.2% (33)	43.8% (32)
Achieving a common goal	19.1% (27)	22.1% (15)	16.4% (12)
Diverse people and interests	7.8% (11)	5.9% (4)	9.6% (7)
Public involvement	7.1% (10)	5.9% (4)	8.2% (6)
Gathering public input/comments	7.1% (10)	11.8% (8)	2.7% (2)
Talking/discussion	6.4% (9)	7.4% (5)	5.5% (4)
Increased involvement/Decision-making	6.4% (9)	7.5% (5)	5.5% (4)
Meetings	4.9% (7)	1.5% (1)	8.2% (6)
Long term relationships	4.3% (6)	1.5% (1)	6.8% (5)
Negative on collaboration	4.3% (6)	2.9% (2)	5.5% (4)

\*Participants were allowed to provide more than one response.

Survey participants were asked to rate whether community involvement was collaborative on a five-point scale (1=Very collaborative to 5=Not at all collaborative). Of the respondents (Table 11), 53% of all participants rated the development of their stewardship contracting project as very collaborative in nature, 22% felt that it was somewhat collaborative, and 12% felt that it was not collaborative. Interestingly, of the 73 agency respondents, 18% (12) felt that the process was not collaborative, whereas only 7% of non-agency respondents felt this way. The Pinchot Institute's regional contractors have observed that agency staff seem to have a clearer understanding of what truly constitutes collaboration, which is likely due to the training they receive. The interview process also revealed that most non-agency participants have little history of collaboration with the agency, so to simply be asked their opinion during agency land management planning is viewed as collaboration.

*“Collaboration is involvement by essentially the groups that have a stake in these things. They get involved from the standpoint of [doing] more than just making suggestions or saying. ‘Yeah, we like this’ or ‘No, we don’t like that.’ They make some of the parts or elements [of the project] go. They make things happen, affect decisions and choices...If [stakeholders] have no choice, that’s not collaboration.” - Agency Interviewee*

### **Non-Engaged Parties**

Table 11 suggests that over half of survey participants believed the development of their stewardship contracting project was somewhat to very collaborative in nature. Both agency and non-agency respondents expressed roughly similar views in this regard.

Table 11. Degree to which community involvement in stewardship contracting is collaborative.

Degree of Collaboration	Total Respondents (n=141)	Agency Respondents (n=73)	Non-agency Respondents (n=68)
Very collaborative (1)	36.9% (52)	33.8% (23)	39.7% (29)
Very collaborative (2)	16.3% (23)	16.2% (11)	16.4% (12)
Somewhat collaborative (3)	22.3% (32)	26.5% (18)	19.2% (14)
Not collaborative (4)	12.1% (17)	17.5% (12)	6.8% (5)

\* 1=Very collaborative, 5=Not at all collaborative.

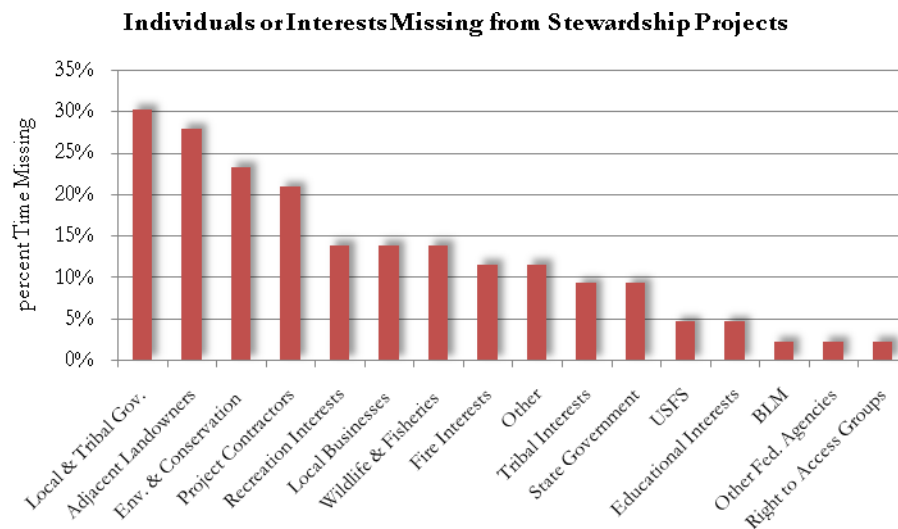
While the process may have been perceived as collaborative, it is important to know if respondents believed there were interests missing from the collaborative process. Just more than half (54%) of respondents felt that all necessary groups were part of the collaborative process, while just shy of a third (31%) felt that there were some groups that were absent from the collaborative process (Table 12). Others were uncertain whether any interests were left out of the collaborative process.

Table 12. Individuals or interests missing from the collaborative process.

Were groups missing from the collaborative process?	Total Respondents (n=141)	Agency Respondents (n=68)	Non-agency Respondents (n=63)
Yes	30.5% (43)	42.1% (29)	19.2% (14)
No	54.6% (77)	44.1% (30)	64.4% (47)
Don't know	14.9% (21)	13.2% (9)	16.4% (12)

Local governments were those most commonly believed to have been left out of the collaborative process (Figure 3). Other interests often identified as missing from the process included adjacent landowners, environmental and conservation groups, and project contractors.

Figure 3



Survey participants who indicated one or more interests were missing from the collaborative process were asked why those parties should have been included. Table 13 shows the most frequent reasons respondents believed those interests should have been involved was because they are users of the project area (67.8%) or that their involvement in the development of stewardship contracts would have helped to avoid misunderstanding (67.4%). Over half suggested that including the missing interests would have brought valuable expertise to the process.

Table 13. Reasons missing interests should be/have been involved in the collaborative process (n=43).\*

Reason all groups should be involved	Percent
They are users of the area	67.8%
To avoid misunderstanding	67.4%
They have valuable expertise to share	54.5%
They are potentially affected	39.5%
To avoid appeals or litigation	37.2%
A need to be inclusive	27.9%
A need for local knowledge	25.6%
They are a constraint to implementation	18.6%

\*Participants were allowed to provide more than one response.

### **Resources Needed to Participate**

Thirty seven of the 71 surveyed projects (52%) indicated additional resources were needed to facilitate community participation in stewardship contracting projects. Survey participants provided insight into the types of assistance needed and whether it was received (Table 14). The greatest need was for technical assistance (65%). Among those needing technical assistance, nearly 88% received the needed assistance from the agency or other sources. Participants also indicated that training (54%) and financial assistance (49%) would have helped to further facilitate their participation. A third of those needing training did not receive it.

Table 14. Resources needed by community members to facilitate their participation in projects.

Assistance	Needed (n=71)	Received*
Technical	64.9% (24)	87.5% (21)
Training	54.1% (20)	65% (13)
Financial	48.6% (18)	61.1% (11)
In-kind	45.9% (17)	70.6% (12)

\* Percentages calculated using: (# who received assistance) / (# who needed assistance).

The survey revealed a number of reoccurring resources needed by community members participating in stewardship projects. These resources, listed in Figure 4, reveal just some of the various resources community members need for successful participation in stewardship projects.

**Figure 4**

Financial Assistance	Training	Technical Assistance	In-kind Resources
-Consultation on NEPA and contracting	-Understanding NEPA and contracting	-Getting started	-Getting started
-Getting started	-Getting started	-Education & outreach	-Field work
-Field work	-Bidding	-Monitoring	Participation/involvement
-Buying equipment	-Education and outreach	-Technical assistance	-Education & outreach
-Education and outreach	-Monitoring	-Helping contractors	-Monitoring
-Monitoring	-Technical assistance	-Collaborative process	-Meeting support
-Facilitator	-Helping contractors	-Understanding ecological principles	-Technical assistance
	-Collaborative processes		-Collaborative processes
	-On the ground work		



### 3.1.5 Local Benefits of Stewardship Contracting Projects

Survey participants were asked to rate on a five point scale the importance to their local community of various benefits resulting from stewardship contracting projects. Nearly three-quarters (74%) identified the accomplishment of specific project outcomes—such as forest restoration, fuels reduction, and wildlife habitat improvements—as having high importance (Table 15). The ability to increase collaboration, increase the use of local contractors, improve public trust, and accomplish work on the ground all were regarded as important benefits of stewardship contracting (above 50% ranked of high importance).

Table 15. Importance of local benefits to local communities resulting from stewardship contracting projects.\*

Benefits to local communities from stewardship contracts (n=141)	High Importance	Medium Importance	Low Importance	Mean
Specific project outcomes (n=125)	74% (108)	15.2% (12)	2.7% (5)	1.53
Increased collaboration (n=124)	54.85 (80)	15.8% (23)	14.4% (21)	2.14
Local contractors (n=114)	54.1% (79)	20.5% (30)	10.2% (5)	2.19
Improved public trust (n=123)	53.4% (78)	19.9% (36)	11.6% (10)	2.22
On the ground work (n=124)	51.3% (75)	23.3% (34)	10.3% (15)	2.23
Other economic benefits (n=118)	42.5% (62)	23.3% (34)	15% (22)	2.47
Efficiency (n=119)	40.4% (59)	20.5% (30)	20.5% (30)	2.58
More local jobs (n=124)	36.3% (53)	24% (35)	23.7% (36)	2.76

\*Responses based on a five point scale: 1=Very high importance to 5=Very low importance.

Accomplishing specific project outcomes certainly benefits National Forest land management, but stewardship contracting provides other benefits to local communities. When asked to comment on the importance of community involvement in stewardship contracting, respondents indicated a number of benefits (Table 16) with over 50% of respondents citing increased support for the agency, consideration of diverse interests, and improved trust as the most important benefits.

Table 16. Benefits of community involvement in stewardship contracting projects.\*

Benefits of community involvement	High Importance	Medium Importance	Low Importance	Mean
Increased support for agency	50.7%(74)	22.6%(33)	13% (19)	2.32
Consideration of diverse interests	51.4% (75)	17.8% (26)	15.7% (23)	2.34
Improved trust	51.4% (75)	19.9% (29)	13.7% (20)	2.34
Increased public input	48.6% (71)	21.9% (32)	14.4% (21)	2.35
Project ownership	48.6% (71)	22.6% (33)	15.1% (22)	2.4

\*Responses based on a five point scale: 1=Very high importance to 5=Very low importance.

### 3.1.6 Support for Stewardship Contracting

Survey participants were asked how well supported stewardship contracting projects were in their communities. In very few cases did respondents indicate community opposition to the stewardship contracting project (Table 17). In fact, approximately 77% of the projects were “somewhat” to “widely” supported. There were no significant differences between agency and non-agency participants in their responses.

Table 17. Support for stewardship contracting projects in local communities.

Level of support	Total Respondents (n=141)	Agency Respondents (n=68)	Non-agency Respondents (n=73)
Widely supported	48.9% (69)	42.6% (29)	54.8% (40)
Somewhat supported	28.4% (40)	36.8% (25)	20.5% (15)
Indifferent	9.9% (14)	10.3% (7)	9.6% (7)
Opposed	.71% (1)	---	1.4% (1)
Don't know	12.1% (17)	10.3% (7)	13.7% (10)

\*Responses based on a five point scale: 1=Widely supported, 5=Opposed.

Survey participants were also asked the level of support for those same projects within the agency. The findings displayed in table 18 shows that 89% of the projects were “somewhat” to “widely” supported within the USFS according to both agency and non-agency respondents. There was only one agency respondent who expressed a complete lack of internal support for projects and no non-agency respondent who saw that level of opposition.

Table 18. Support for stewardship contracting projects in the agency.

Level of support	Total Respondents (n=141)	Agency Respondents (n=68)	Non-agency Respondents (n=73)
Widely supported	57.4% (81)	50%(34)	64.4% (47)
Somewhat supported	31.9% (45)	42.6% (29)	21.9% (16)
Indifferent	3.5% (5)	2.9% (2)	4.1% (3)
Opposed	.71% (1)	1.5% (1)	---
Don't know	6.4% (9)	2.9% (2)	9.6% (7)

\*Responses based on a five point scale: 1=Widely supported, 5=Opposed.

### 3.1.7 Lessons Learned Among Participants in Stewardship Contracts

Table 19. Respondent interest in participating in another stewardship contracting project.

Interest in participating in another project	Total Respondents	Agency Respondents	Non-agency Respondents
Yes	84.4% (119)	85.3% (58)	83.6% (61)
No	2.8% (4)	1.5% (1)	4.1% (3)
Maybe	11.3% (16)	11.8% (8)	11% (8)

Most respondents (84.4%) said that they were interested in participating in another stewardship project, with only 2.8% of respondents saying that they would not. The remaining 11.3% would “maybe” participate in another stewardship contract. Survey participants were asked to provide the reasons they would (or would not) be involved in another stewardship contracting project (Table

20). Most often, respondents believed it was the best approach for getting work done (15%), although responses varied greatly and there was a high rate of no response (43.2%).

Table 20. Reasons respondents would participate in another stewardship contracting project.

Reason to participate	Total Respondents (n=119)	Agency Respondents (n=58)	Non-agency Respondents (n=61)
Best approach to getting work done	15.2% (18)	8.6% (5)	21.3% (13)
Its my job	8.4% (10)	17.2%(10)	---
Good for business	8.4% (10)	3.4%(2)	13.1% (8)
Great tool/good concept	7.6% (9)	12.1%(7)	3.3% (2)
Already doing more	5.9% (7)	8.6% (5)	3.3% (2)
Stewardship contracts work	5.9% (7)	5.2% (3)	6.6% (4)
Other	5.9% (7)	5.2% (3)	6.6% (4)
No answer	43.2% (51)	39.6% (23)	45.9% (28)

### 3.2 Regional Vetting Analysis

The main objective of the regional team meetings was to foster a constructive dialogue about the role communities have in stewardship contracting within each region. Team members used the regional team data supplied by MSU and the Pinchot Institute's regional contractors as well as their own experiences with stewardship contracting to discuss the following three core questions:

1. **What are the predominant problems in engaging communities in USFS stewardship contracts? BLM stewardship contracts? What are suggestions for improving the current situation for both agencies?**
2. **What successes have emerged within this region for engaging communities in USFS stewardship contracting? BLM stewardship contracting? What fostered these successes for both agencies?**
3. **What are the major perceived benefits of USFS stewardship contracts to communities within this region?**

Each team meeting summary (included as Appendix B to this report) reflects regional issues and priorities, which often differ from region to region. For example in the Northeast, a region with a patchwork of private land ownership, the importance of engaging private landowners adjacent to National Forests in stewardship has been a consistent focus of the dialogue. Meanwhile, restoration and hazardous fuel treatments on public lands tends to be the focus in the West. Despite distinct regional differences such as forest type, forest size, forest use, and stewardship priorities, forest-adjacent communities across the nation have some common features that characterize their role in stewardship contracting. A greater understanding of regional differences as well as commonalities may help the agencies better understand and utilize stewardship contracting authorities and related collaborative practices. The following is a discussion of common challenges, successes, and perceived benefits identified by the five regional multiparty monitoring teams.

### 3.2.1 Conditions preventing full community engagement in stewardship contracting.

The five regional teams identified the most significant problems associated with engaging local communities in USFS stewardship contracts or agreements. The full engagement of communities is inhibited for reasons outlined below.

**Many agency personnel, local contractors, and communities are still unfamiliar with stewardship contracting.** Most agency line-officers and other personnel remain unfamiliar with stewardship contracting and its expanded authorities (e.g., best value contracting, exchange of goods-for-services, retention of receipts). Despite this general trend, the regional teams observe success in instances where stewardship contracting is championed by innovative leaders within the agency. One interviewee noted, "*We need stewards of stewardship contracting...someone who can always be there, A to Z.*" This is easier said than done; successful outreach to communities is time intensive and requires that the agency have direct contact with key members of the community to have the intended effect. In general, active rather than passive forms of contact are desired. For example, direct mailings detailing the opportunities stewardship contracts offer contractors and communities are generally viewed as a less effective means of engaging communities than direct outreach in person or over the phone. Moreover, broadcasting the opportunities for collaboration to the community does not necessarily bring community collaborators to the table and a more sincere effort is often required. The regional teams noted that some improvements had been made in this regard relative to years past, but recommended that the agency think more broadly about how to engage potential community collaborators.

Some regional teams advised that the Region 6 Stewardship Contracting User Guidelines should be repackaged into an online searchable database. This application could become a useful way to integrate knowledge learned through the application of stewardship authorities. In addition to the agency wide stewardship handbook and associated stewardship trainings, the agency should consider ways to continually integrate the knowledge learned through applying the full suite of expanded authorities embedded in stewardship contracting.

#### **Suggested improvements from the regional teams include:**

- *Implement actions to increase the philosophical understanding of stewardship within the agency.* This could integrate traditional “nuts and bolts” training sessions with non-traditional training mechanisms such as peer-to-peer learning or an internal mentoring program. Such a mentoring program could enhance the role of those line-officers who have shown leadership in the implementation of the stewardship contracting authority.
- *Form strategic partnerships with experts outside the agency to improve both traditional and non-traditional training.* Training could be accomplished through strategic partnerships with outside professionals knowledgeable in collaborative process, community-based natural resource management, and stewardship contracting more generally. There is significant capacity outside of the agency that if tapped appropriately could greatly expand the agencies’ capacity to build the knowledge base of collaboration and stewardship within the agency. At the same time, such partners can help build “stewardship collaboratives” from the ground up and bridge gaps between agency and community partners.
- *Provide line-officers with stewardship contracting decision tools.* Online support tools and decision trees can help agency line-officers make timely and informed decisions about the administrative details of the authority, and encourage them to seek additional help when necessary.

- *Communicate the ways in which stewardship contracting can support the broad goals of diverse stakeholders through non-agency specific training.* As a tool, stewardship contracting can help meet the objectives of multiple potential partners such as local governments, regional economic development boards, academics, and environmental and conservation organizations. This ability to serve multiple groups is embodied in the authority through the words “best value.” Delivering this “best value” message to potential partners is extremely important, as stakeholders often bring distinct goals that often center on a particular issue, such as on sustainable economic development, recreation, habitat management, community wildfire protection, watershed restoration, etc. In order for the agency to foster successful collaboration, it should be able to communicate how stewardship contracting can help meet the diverse needs of stakeholders. A broad array of expertise is therefore necessary within multi-party monitoring teams, funding partners, technical partners, and collaboration facilitators.
- *Use existing networks to communicate the message.* Taking advantage of events and activities hosted by existing local groups rather than scheduling separate agency functions is not only cost effective but can also present a clear demonstration of the agency’s commitment to collaboration and community involvement.

**Agency personnel are unclear about the role collaboration plays within the stewardship contracting authority.** Collaboration between the Forest Service and interested outside parties is central to the ability of stewardship contracting to reach its intended ecological and socioeconomic outcomes. For example, one regional team noted that federal managers increasingly opine that upfront, in depth collaboration goes a long way toward not only reducing conflict but also toward producing better designed projects. Despite this encouraging finding, collaboration still requires significant investments of time and resources without a guarantee that collaboration will result in a successful stewardship project. Echoing these sentiments one agency participant said: *“Sometimes leadership wants you to stay on schedules, and when you work with communities and want to be collaborative, you have to stay flexible. You have to be able to step back and take the time, rather than pushing people or cutting corners.”* Line-officers often face the difficult choice of applying this new authority or retaining traditional timber and service contracts. The latter choice is a familiar business process with expected outcomes, while the former is not well understood and is sometimes perceived as less cost-effective due to the upfront costs involved with collaboration. As line-officers are increasingly tasked with meeting annual targets with reduced funding, some see the opportunity to apply goods for services and retained receipts, while others see risk relying on collaboration and stewardship contracting.

In many instances, the regional teams identified that, as in previous years, collaboration is occurring in name only. They found that agency staff generally viewed the role of communities as “providing comments and recommendations” and “becoming informed.” Staff also viewed communities as a “representation of concerned/affected local interests” rather than as involved participants in project planning and design, development of alternative approaches, project implementation, multi-party monitoring, or in other more proactive activities. Further complicating this picture is the fact that staff turnovers have in some instances resulted in lost or broken relationships and other negative impacts to collaborative efforts.

**Suggested improvements from the regional teams include:**

- *Shift performance measures away from output targets to outcome targets.* This shift would be designed to measure the effectiveness of collaboratives with respect to improved land management and on-the-ground outcomes. This shift would put less emphasis on the number of acres

treated and more emphasis on measuring the multiple “best values” achieved through stewardship contracting.

- *Require demonstrated expertise in “the collaborative process” as part of staff responsibilities and performance reviews.* Hold agency staff accountable for their performance in the arena of collaborative processes. The agency should link performance reviews with broader performance measures for the effectiveness of the collaborative process.
- *Effective participation in collaborative efforts should be recognized and rewarded.* In addition to improved performance measurements, the agency should consider employee incentives such as nominations for agency awards. Non-agency collaborators should be acknowledged and honored as well.
- *Collaboration skills should be included in agency recruitment criteria for a wide range of agency positions.* Possession or development of skills for stakeholder engagement and collaborative process are already key components of developing high level managers. However, the ability to collaborate effectively with a broad range of internal and external stakeholders is needed throughout the stewardship contracting process.
- *Partner with and engage diverse organizations in stewardship efforts.* The agency should continue to widen the range of non-agency groups and individuals who can catalyze and facilitate community engagement in stewardship projects. Non-government organizations, applied research institutions, county governments, Conservation Districts, Resource Conservation and Development Councils, and others have played key roles in stewardship contracting projects around the country – organizing and facilitating community collaborative processes, serving as project contractors when no for-profit business was willing or able to do so, designing and carrying out multi-party monitoring programs at the project level, etc.
- *Incorporate community engagement into each national forest’s strategic planning efforts.* As public goods, our national forests should *de facto* include the public in the planning process. This is true not only because of regulatory requirements to do so, but also because the key members of the public can provide valuable insights. Stewardship contracting should be a central part of these strategic plans, and agencies should use the planning process as an opportunity to galvanize collaborators for planning future stewardship projects.
- *Conduct field trips and other creative outreach efforts to engage local communities.* Several stewardship projects (such as the Siuslaw Stewardship Project in Region 6) have been highlighted as successes and frequently host field tours as regional and national examples. Agencies should foster this type of community outreach as part of a formal peer-to-peer mentoring process. There are many benefits to collaborative group field tours, including the ability to see first-hand the area being discussed, which enables a clearer discussion that is based in reality rather than in theory. Furthermore, going out together strengthens the group’s sense of purpose. When contractors are involved in tours they are able to describe in an illustrative manner the activities they plan to undertake.
- *Communicate progress throughout the entire life of a stewardship project.* Stewardship projects can be focal points of regional restoration efforts or smaller projects fulfilling a less grandiose set of objectives. Whatever the scale or end products, the agency should commit to being as transparent as possible about the progress of the project throughout each phase. The agency and its partners should use traditional media outlets such as local newspapers, regionally syndicated media outlets, and new media outlets (websites, e-newsletters, blogs, etc.) to communicate.
- *Encourage midlevel leadership role in stewardship contracting and moderate impacts of staff turnover on the success of the collaborative process.* Consistent midlevel leadership can help bridge the long time lags that can exist between announcing a stewardship contract and implementing it. Such leadership ensures that projects move ahead in an expeditious manner, showing both

communities and contractors that the stewardship contract is a priority and that input and participation is being utilized by the agency.

**The contracting process needs streamlining before effective use of stewardship contracting will significantly increase.** As currently interpreted by many agency line-officers and local contractors, the USFS stewardship contracting documents and requirements are overly complex and often do not enable the preferred contracting process. Agency personnel would welcome a streamlined process, standardized contracts and reduced paperwork, as long as the tool's can still be flexible enough to permit the crafting of local solutions. Stewardship contracts are considered by many local contractors to be overly complex, restrictive and as such may be viewed as a liability for small businesses. The contracting process is often lengthy and confusing to those outside the agency, which can lead to frustration. Furthermore, the process adds a layer of complexity and bureaucracy when a contract needs to be amended, and this process is generally not well explained to contractors. Finally, the list of agency staff needed to develop and review a stewardship contract or agreement is long and requires significant time from resource staff, contracting officers and the regional office. For these reasons, the regional teams have identified that having efficient timber sale and procurement contracting officers who work well together is extremely important.

For contracting officers, stewardship contracting blends the line between the very separate territories of procurement contracting and timber contracting. Knowledgeable and adept contracting officers are key to the success or failure of many stewardship contracts. Collaborators may become disillusioned with the collaboration if the agencies internal contracting mechanisms seem to hold up the process from moving ahead. Regional team members felt that the existing authorities provide all that is required to complete contracts by having both procurement and timber contracting officers work together. Others suggest that there should be one simple contract and/or agreement under which the stewardship contracts should operate.

Bonding requirements that must be met by contractors further compound the negative perception of the contracting process. The capital required for bonding can inhibit contractors' ability to carry out their operations, which presents an additional disincentive for local contractors to place competitive bids on stewardship projects. The regional teams felt that during periods of economic downturn, local contractors may not bid on stewardship projects unless the contracting process is streamlined and bonding requirements are revised. Regional and national niche businesses have emerged with large mobile work crews and equipment that can perform activities such as pre-commercial thinning and planting over significant areas in a short time period. This approach is likely to continue to grow as large-scale bioenergy facilities increase demand for low-value woody material. Economies of scale allow these contractors to easily meet bonding requirements and engage in the related contracting process (frequently indefinite delivery-indefinite quantity, or IDIQ contracts), often as the only bidder. Despite achieving the desired vegetative treatment, this model does not necessarily support long-term local economic resiliency and community participation in the "restoration economy." This model is largely the antithesis of the collaboration and trust building that is at the core of the philosophy behind stewardship contracting.

Another significant barrier is that individual national forests are required to bank funds for cancellation ceilings prior to entering into a procurement contract as required by the Federal Acquisition Regulations. With increasing costs associated with wildfire suppression and inadequate funds to meet other pressing land management needs, agencies often cannot afford to set aside large amounts of appropriated dollars to enable the award of long term stewardship contracts. This does

not build local capacity to harvest and process the steady and sustainable supplies of low-value material needed to encourage investment in and development of community-scale biomass utilization projects. Thus, this cancellation ceiling remains a significant obstacle to building restoration economies that could play a substantial role in fostering landscape scale restoration.

**Suggested improvements from the regional teams include:**

- *Maintain flexibility in stewardship contracts.* The contracting process needs to be more efficient, but the agency should be careful not to sacrifice efficiency for flexibility. The agency should consider how best to approach multiple contracts and agreements of varying size and complexity as a means to achieve multiple land management objectives. One benefit to this approach is that it builds and maintains capacity with communities for the kind of contractor base necessary for this work in the future.
- *Integrate emerging markets for woody biomass into stewardship contracts.* The agency should strive to understand potential partners and understand the ways in which the contractors might be able to use the “goods” they take off the land. This can be achieved by including potential contractors in the development of stewardship projects early on in the process. This early collaboration will help in designing effective options for utilization of all the material generated by a project. Agency staff should be provided educational material on recent advances in harvesting and utilization of small diameter low-value woody biomass. In some instances, particularly large scale hazardous fuel treatments more in-depth woody biomass supply analysis may be required than what would otherwise be done through the typical appraisal process.
- *Revisit bonding requirements to facilitate greater contractor interest in stewardship contracting.* Results from the regional reports suggest two alternatives to lessen the financial burden on local contractors and local agency management units. The first option would require contractors to post minimum versus maximum bonding requirements. The second calls for splitting units or creating task orders in stewardship contracts creating lower bond or cancellation ceiling demands for each. Other options could include administratively or legislatively cancellation ceilings at the regional or Washington office levels.
- *Offer longer-term stewardship contracts.* The agency should continue to develop long term stewardship contracts where land management objectives make them appropriate. This approach can attract investors in innovative biomass utilization (e.g. community-scale bioenergy) and can provide some economic stability to local contractors and communities.
- *Allow and encourage managers to use retained receipts to fund multiparty monitoring.* Creative multiparty monitoring efforts on the project level can yield valuable data and facilitate adaptive management by the stewardship collaborative and the agency. As evidenced by projects such as the White Mountain Stewardship Project, multiparty monitoring can provide extremely important information on both socioeconomic and environmental variables when it is well-structured and adequately funded. There should be an active dialogue between the agency and community collaboratives about the feasibility of using retained receipts for this purpose.
- *Provide training opportunities for local contractors interested in stewardship contracting projects.* Training opportunities would help local contractors better understand and manage stewardship contracts. Such training should include detailed assistance in navigating the contracting process and instructions on how to develop competitive bids. Partner organizations can help in this effort and could take advantage of state logger education programs and annual logger conventions.



### 3.2.2 Successful outcomes resulting from engaging communities in stewardship contracting

The five regional teams identified instances where the agency has successfully engaged local communities in the development and implementation of stewardship projects through both the contracting and agreement mechanisms. Significant on-the-ground land management and restoration objectives have been achieved through the involvement of broad coalitions of partners. These partnerships are playing a key role in research and outreach, and provide both technical and financial assistance. They often identify and address emerging issues, attract additional stakeholder participation during project planning, and improve relations with local communities. Stewardship contracts have also incubated new small business opportunities for local communities located in close proximity to national forests. Stewardship contracts have provided some existing wood product manufacturers the assurance of a long-term wood supply they need before investing in expanding and/or upgrading their facilities.

The regional teams found that support for stewardship contracting is strong and growing within and outside the agencies. In the east it was documented that successful collaboration is a morale booster for some USFS employees. “[A] big lesson learned...is that...we developed some good, new relationships and new appreciation from the community of what we do. People were genuinely appreciative of our efforts. They were hopeful of the outcomes,” said one. Another termed stewardship contracting “the biggest breath of fresh air in 32 years in the agency.” A community member saw it as a galvanizing force, suggesting that “stewardship contracting is the spark that kind of gets things going.”

Many of the regional teams recognized the potential for the agency in establishing long term “umbrella agreements” with wildlife/conservation organizations (or others) to better implement landscape level priorities. The regional teams observed that such umbrella agreements can facilitate the collaborative process by increasing the ease with which funds are matched and transferred in support of mutually identified on-the-ground restoration objectives. The National Wild Turkey Federation (NWTf) and the Rocky Mountain Elk Foundation (RMEF) are prime examples of this. These organizations have integrated stewardship agreements into their business model by retaining stewardship coordinators and biologists on staff to complete much of the preliminary scoping work and collaborative development. A RMEF representative commented, “We have a unique situation with a lot of great working relationships among groups and agencies. We don’t always agree but we do always sit down and find a way to cooperate.”

#### **Factors which foster successful stewardship contracting outcomes:**

- *Demonstrated on-the-ground improvements in forest health through stewardship contracts.* Ecosystem management is a complex concept, which often requires visual examples to fully grasp. In some areas practitioners—both public and private—of ecosystem management use stewardship contracting to achieve demonstrable and measurable environmental outcomes.
- *Agency participants are able to take the time to build collaborative community relationships as part of their job, not as an add-on to it.* Effective community engagement contributes to better projects, and also increases support for the agency’s work and enhances local “ownership” of and investment in agency land management projects.
- *Agency-wide support and leadership.* In many parts of the agency and in many regions of the country, stewardship contracting has taken hold through the steadfast championing of key individuals. This needs to be encouraged within the agency.
- *Intensive outreach efforts.* Active agency outreach is often a prerequisite for collaboration and trust building, without which the philosophy behind stewardship contracting may not fully develop.

- *Continued formalization of relationships and agreements with key conservation organizations.* Groups like RMEF and NWTF are vehicles for the agency to use stewardship contracts and agreements to meet joint landscape level priorities. Other national or regional wildlife/conservation organizations can be engaged depending on the type of work. These groups have filled key roles by: involving local leaders through their membership base; providing additional funding; playing a coordinating role; providing technical assistance; sponsoring bidder workshops; and facilitating stewardship contracting training and liaison work with local contractors.

### 3.2.3 Perceived benefits of stewardship contracting to communities

The regional teams provided input on the major perceived benefits that stewardship contracts bring to communities within their regions. In general, stewardship contracting was viewed as a means for building trust between the agency, local communities and various stakeholders in the management of public lands. Tangible benefits identified by the multiparty monitoring teams include the ability of stewardship contracts to pool and leverage additional funding that would otherwise not be there by using retained receipts and goods for services to offset the cost of stewardship projects.

Common themes that emerged across the five regions included:

- *Trust building and the accomplishment of more on-the-ground work.* The most commonly cited local benefits of projects were improved public trust and specific project outcomes that were often ecologically-related.
- *Supporting local economies. Keeping dollars local by fostering local community economic viability and resiliency and the creation and/or expansion of sustainable businesses.* In projects where removal of small diameter low-value woody biomass is a main objective, stewardship contracts can deliver a pre-determined consistent supply of material to support appropriately scaled and sustainable biomass utilization businesses. Examples include community scale thermal and electrical wood bioenergy facilities, post and pole plants, and composite building materials.
- *Community Wildfire Protection Planning (CWPP) help develop upfront collaboration.* There are many positive examples in the west where state forestry and federal foresters have worked well together to use the community engagement generated through CWPP to design, contract and implement stewardship projects in an effective and collaborative manner.
- *Greater flexibility.* Stewardship contracting offers the flexibility needed to support contractors throughout the year, as it integrates multiple objectives and services into a single contract. The expanded authorities allow managers to increase funding for on-the-ground activities while supporting local communities.

## 4.0 CONCLUSIONS

The transition to a more collaborative form of land management is neither a quick nor easy process. Five years into the current ten-year authority for stewardship contracting, some significant benefits have been documented, although many challenges remain. As the agencies' use of their stewardship contracting authority evolves, the regional teams have observed that the most common complaints (both internally and externally) revolve around process hurdles or a lack of understanding about the process itself. For stewardship and collaboration to take hold it will take a significant commitment to the collaborative process as well as the desired outcomes. To date this has happened where there is leadership, sincere partnerships, well qualified and experienced contractors, and a willingness to embrace the flexibility inherent in stewardship contracting. In order for the agency to clearly and consistently communicate the potential opportunities stewardship contracting provides to local contractors and communities, a critical mass of understanding of—and support for—stewardship contracting must be realized within the agency.

Growing the agencies' understanding of the authority is of ever greater importance given the current challenging economic climate. In addition to general understanding and knowledge, this may require agency line-officers to be judicious in the number of service items to be completed under a stewardship contract unless appropriated funds are made available to fill the gap left by lower-than-anticipated value of the "goods" used to offset service costs. Managing expectations of the stewardship contracting process—both internal and external of the agency— may prove to be as important as managing natural resources. As the depressed timber market continues to affect forest dependent communities, it will be of utmost importance to keep these communities and other stakeholders regularly and fully informed throughout the stewardship contracting process in order to avoid feelings of betrayal if a desired work activity cannot be completed as originally planned.

There is concern that stewardship contracting will not be able to adequately address some forest health challenges that involve the removal of significant amounts of low-value woody biomass due to the lack of sufficient wood processing and logger capacity. Compounding a historical decrease in utilization capacity is the concern that appropriately scaled utilization e.g. thermal-electrical bioenergy facilities—generally thought of as a positive use of low-value woody biomass—is not pursued due to the cancellation ceiling. The regional teams observed strong sentiments about the problems that arise when managers attempt to sell overly complex contracts that contractors feel include too much low-value material matched with a large amount of service work. The results are often few or no bids, high bids, or businesses unable to participate and support themselves. When weak or non-existent markets for low-value wood accompany a growing forest health crisis, market based solutions—such as stewardship contracting—must be flexible to stimulate markets for low-value wood.

The results from the survey and regional team meetings have outlined a number of successes. In cases where stewardship contracting has effectively engaged local communities, ecological, economic and social benefits have emerged that might have not otherwise. The results of the regional teams' monitoring highlight the tool's ability to enable the accomplishment of more work on-the-ground while balancing ecological, economic and social considerations. It has provided the opportunity to complete much needed forest restoration, hazardous fuels reduction, wildlife habitat improvement, and other work on federal lands. Recent blanket stewardship agreements with wildlife conservation organizations like RMEF and NWTF have resulted in large-scale habitat restoration priorities being addressed. The regional teams identified that with the recent economic downturn, maintaining existing capacity in wood products processing and manufacturing is vastly important to the health of forest-dependent communities. Survey participants noted that stewardship contracting has an important role in using local contractors on a year round basis as various service items can be spread out over the span of several years. Many viewed the potential for new businesses that utilize small-diameter, low-value woody material (e.g., wood-bioenergy facilities) as important emerging markets. Some expressed doubt and frustration over opportunities to use low-value woody material generated by stewardship contracts in a consistent enough way to offset the costs incurred by contractors to complete services.

As reported in previous years, the regional team surveys and interviews revealed that the collaborative process surrounding the development of stewardship contracts often results in improved relations between the agency and local communities. Agency and non-agency partners alike highly valued stewardship contracting's ability to increase collaboration and public trust in the agency. Regional teams noted that support for stewardship contracting is growing both within the agency and within the local communities it serves.

Despite encouraging success stories, challenges still remain before this tool reaches its full utility in collaborative land management. Survey respondents and regional team members identified areas where the agency can continue to improve its use of the authority. Agency line-officers and other key staff members still may be unfamiliar and/or uncomfortable with the stewardship contracting authorities. Most agency staff view stewardship contracting solely or primarily as a tool to exchange goods for services—only one of many special authorities provided to the agency under *subsection (g) of Section 347 of P.L. 105-277*. Their unfamiliarity has prevented clear communication with external stakeholders and local contractors on the potential benefits stewardship contracting may bring to local communities. Survey results suggest local communities have an interest in becoming informed and providing comments on stewardship contracting projects. Potential policy or program changes to better familiarize agency staff and local communities on stewardship contracting include:

- ***Partnerships should be formed with experts outside the agency to improve both traditional and non-traditional training.*** Training could be accomplished through strategic partnerships with outside professionals knowledgeable in collaborative process, community-based natural resource management, and stewardship contracting more generally. There is significant capacity outside of the agency that if tapped appropriately could greatly expand the agencies' capacity to build the knowledge base of collaboration and stewardship within the agency. Peer-to-peer learning or mentorship opportunities provide new training options which capitalize on the experiences of those agency staff familiar with the stewardship contracting authorities and the collaborative process. Agency personnel demonstrating leadership in developing stewardship contracts should be recognized for their efforts. Stakeholders wanting to participate in the collaborative process should also be invited to participate in agency training sessions.
- ***Utilize non-traditional outreach methods to familiarize local communities with stewardship contracting.*** Personal contacts, field tours and collaborative process meetings were frequently used—and were often effective—as methods to involve local communities in the development of stewardship contracts. Less frequently used methods include presentations to existing community groups and other organizations. Regional team members suggested agency staff consider using additional, non-traditional outreach methods such as presentations to local government boards, homeowner associations, and local chapters of environmental and conservation organizations. These (and other) organizations hold concerns about rural economic development, public safety and the integrity of nearby forest ecosystems—issues stewardship contracting is often well-suited to help address.

Many participants viewed the development of their stewardship contract as sufficiently collaborative, while others suggested interests of environmental groups, local governments, recreational groups, and adjacent landowners were often missing. Agency respondents indicated collaboration frequently requires significant investments of time and financial resources, both of which are often limited commodities among agency and non-agency participants. Also, agency and non-agency entities reported being unclear about the best ways to collaborate outside of traditional public involvement requirements through regulatory statutes like NEPA. Recommendations for improving the role of collaboration in stewardship contracting include:

- ***Shift agency performance measures away from output targets to outcome targets.*** A focus on the desired end results—or ecological outcomes—will move away from measuring outputs (e.g. acres treated for hazardous fuel reduction) and move towards measuring the effectiveness of the collaborative process resulting in improved land

management and on-the-ground ecological outcomes. This shift would put less emphasis on acres treated and more emphasis on measuring the multiple “best values” achieved through stewardship contracting and its expanded authorities.

- ***Incorporate community engagement into each national forest’s strategic planning efforts.*** As public goods, our national forests should de facto include the public in the planning process. This is true not only because of regulatory requirements to do so, but also because the key members of the public can provide valuable insight. Long term stewardship contracts should be a central part of these strategic plans, and agencies should use the planning process as an opportunity to galvanize collaborators for planning future stewardship projects.
- ***Collaboration skills should be included in agency recruitment criteria for a wide range of positions.*** Possession or development of skills for stakeholder engagement and collaborative process are already key components of developing high level managers. However, the ability to collaborate effectively with a broad range of internal and external stakeholders is needed throughout the stewardship contracting process.
- ***Partner with and engage diverse organizations in stewardship efforts.*** The agency should continue to widen the range of non-agency groups and individuals who can catalyze and facilitate community engagement in stewardship projects. Non-government organizations, applied research institutions, county governments, Conservation Districts, Resource Conservation and Development Districts, and others have played key roles in stewardship contracting projects around the country – organizing and facilitating community collaborative processes, serving as project contractors when no for-profit business was willing or able to do so, designing and carrying out multi-party monitoring programs at the project level.

Results from the survey and regional analysis suggest that stewardship contracts are often viewed as overly complex. Also the contracting bid preparation and negotiation process is frequently considered lengthy and cumbersome preventing many contractors from submitting bids. Bonding requirements often tie up capital needed by contractors to carry out their operations. Likewise, Federal Acquisition Regulations require the USFS to set aside significant funds in the event the agency would need to cancel out of a stewardship contract. Existing stewardship contracts are often conducted over short time periods inhibiting contractors’ ability to respond to market-related delays in performing stewardship activities. Potential policy or program changes that may help overcome these challenges to stewardship contracting include:

- ***Fully implement the findings of the mid-point evaluation of stewardship contracting that relate to increasing the philosophical understanding of stewardship within the agency.*** This could integrate traditional “nuts and bolts” training sessions with non-traditional training mechanisms such as peer-to-peer learning or an internal mentoring program. Such a mentoring program could enhance the role of those line-officers who have shown leadership in the implementation of the stewardship contracting authority.
- ***Increase delivery of training and technical assistance to help local communities—especially contractors—navigate the stewardship contracting process.*** Agency and non-agency survey participants identified a need for increased technical and financial assistance to facilitate their participation in stewardship projects. Local contractors are

requesting additional information and training to better understand the contracting procedures and the bidding process before submitting project proposals. Ensure that agency contracting officers are trained in stewardship contracting and are proficient in service and timber sale contracting requirement as well as Integrated Resource Contracts.

- ***Revisit bonding and cancellation ceiling requirements.*** Results from the regional reports suggest two alternatives to lessen the financial burden on local contractors and local agency management units. The first option would require contractors to post minimum versus maximum bonding requirements. The second calls for splitting units or creating task orders in stewardship contracts, creating lower bonds or cancellation ceiling demands for each. Other options could include administratively or legislatively cancellation ceilings at the regional or Washington office levels.
- ***Offer longer-term stewardship contracts.*** Regional teams suggested that local contractors need longer-term stewardship contracts with integrated services in order to respond to market-related delays in conducting stewardship activities as well as time to develop their employees' expertise. Ten year stewardship contracts can provide the woody-biomass supply assurance required by investors before establishing community-scaled wood-processing or wood-bioenergy facilities.

The number of stewardship contracts within the agency continues to grow. The results of the FY 2008 programmatic monitoring of the role local communities play in stewardship contracting suggests that there is a desire for community stakeholders around the country to work directly with the agency. Half way through their 10-year authority to use stewardship end-results contracting, the agency has a variety of suggestions and strategies to consider as it moves ahead to define collaborative land management of the nation's public lands.

## **5.0 APPENDICES**

## Appendix A: Survey Questionnaire

**BLM/USFS:**

**Region/State:**

**Project:**

**Who:**

- ☐ Agency person
- ☐ Community member
- ☐ Contractor
- ☐ Other:
  - ☐ State agency
  - ☐ NGO \_\_\_\_\_
  - ☐ \_\_\_\_\_

### **FY07 PROGRAMMATIC MONITORING:**

The Role of Local Communities in Development of Stewardship Contracting Agreements or Contract Plans

Participants: When Congress authorized the US Forest Service(USFS) and the Bureau of Land Management(BLM) to use stewardship contracting, it also required that the agencies provide an annual report on the role of local communities in the development of agreements or contract plans under that authority. In the preparation of this report, a stratified random sample among existing stewardship contracting projects is surveyed each year, and the \_\_\_\_\_ stewardship contracting project you are involved in was one of those selected for review. We anticipate that your participation in this telephone survey/interview will take about 30-minutes. A sample survey form is attached so that you may have the opportunity to review the questions prior to the telephone survey/interview.

The Pinchot Institute for Conservation is coordinating this study under contract with the USFS and BLM. Your name will not be associated with the interviewer's notes from the phone survey and the names of those interviewed will not be retained. The information collected in this interview will be analyzed and used by both the USFS and BLM to inform the agencies' yearly report to Congress on stewardship contracting implementation. The survey responses will not be shared with other organizations inside and outside the government but the results of the analysis of the survey responses, through its inclusion in the USFS and BLM report to Congress, will be available for use by organizations both inside and outside the government.

Participating in the interview is completely voluntary. Your participation assumes your understanding and acceptance of this voluntary agreement. Your decision to participate or not will not affect your current or future relations with the US Forest Service, Bureau of Land Management, the Pinchot Institute for Conservation or \_\_\_\_\_(*insert local/ regional subcontractor name here*).

**NOTE:** The entire paragraph above will be deleted on the copy that goes to the agency person.



On behalf of the US Forest Service and Bureau of Land Management, the Pinchot Institute would like to thank you in advance for your thoughtful and candid responses to the following questions related to stewardship contracting in your community.

*You are/have been involved in the \_\_\_\_\_ stewardship contracting project.*

1a. If someone asked you to explain stewardship contracting, what would you say?

1b. Has your view of stewardship contracting changed since you became involved in this project? ☐ Yes

☐ No ☐ Maybe ☐ Don't know

If yes, how has it changed?

*I want to ask about community involvement in your project.*

2. Who initiated the project? ☐ Agency ☐ Non-agency ☐ Joint ☐ Don't know

3. Who has been involved?

	<i>Check all that apply.</i>	<i>What is the scale of involvement</i>			
		Local	State	Regional	National
USDA Forest Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bureau of Land Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Federal agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tribal interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local governmental interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community business interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental conservation groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire interests/organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adjacent landowners/residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreation interests/users	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educators/educational interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wildlife and fisheries groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Right to access groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4a What is/was the role of the local community in the \_\_\_\_\_ stewardship contracting project?

	<i>Check all that apply.</i>
Planning and design.	<input type="checkbox"/>
Development of alternatives.	<input type="checkbox"/>
Comments and recommendations.	<input type="checkbox"/>
Public outreach and education.	<input type="checkbox"/>
NEPA analysis.	<input type="checkbox"/>
Implementation.	<input type="checkbox"/>
Provision of technical information.	<input type="checkbox"/>
Becoming informed.	<input type="checkbox"/>
Providing and/or acquiring funding.	<input type="checkbox"/>
Monitoring.	<input type="checkbox"/>
Representation of concerned/affected local interests	<input type="checkbox"/>
Other.	<input type="checkbox"/>

4b. How were you defining “local community” when you answered this question?

5. What outreach efforts are being/have been used by the US Forest Service, BLM or others specifically to get people involved in the project?

- |   |  |
|---|--|
| <input type="checkbox"/> Traditional public meetings    | <input type="checkbox"/> Media (newspaper, radio, television)  |
| <input type="checkbox"/> Collaborative process meetings | <input type="checkbox"/> Field tours   |
| <input type="checkbox"/> Direct mail                    | <input type="checkbox"/> Presentations to existing community groups  |
| <input type="checkbox"/> Email                          | <input type="checkbox"/> Presentations to other organizations than existing community groups organizations |
| <input type="checkbox"/> Personal contacts              | <input type="checkbox"/> Other (Please describe)   |

6a.To what degree would you consider community involvement in the \_\_\_\_\_ stewardship contracting project to be collaborative?

☐ Very collaborative
 ☐ Somewhat collaborative
 ☐ Not collaborative
 ☐ Don't Know

6b. How did you define collaboration when you were answering this question?

7a. How did you personally first get involved with this project (what were the circumstances)?

7b. What was the reason that you decided to get involved?

8a. Are there individuals or interests you believe should be/should have been involved in the stewardship contracting project that aren't/weren't?

- ☐ Yes  
☐ No  
☐ Don't know

8b. If yes, who?

	<i>Check all that apply.</i>	<i>Why should they be involved? See list below for options -Include all that apply.</i>
USDA Forest Service	<input type="checkbox"/>	
Bureau of Land Management	<input type="checkbox"/>	
Other Federal agencies	<input type="checkbox"/>	
Tribal interests	<input type="checkbox"/>	
State agencies	<input type="checkbox"/>	
Local government interests	<input type="checkbox"/>	
Community business interests	<input type="checkbox"/>	
Environmental/conservation groups	<input type="checkbox"/>	
Fire interests/organizations	<input type="checkbox"/>	
Adjacent landowners and residents	<input type="checkbox"/>	
Recreation interests/users	<input type="checkbox"/>	
Educators/educational interests	<input type="checkbox"/>	
Wildlife and fisheries groups	<input type="checkbox"/>	
Right to access groups	<input type="checkbox"/>	
Project contractors	<input type="checkbox"/>	
Other	<input type="checkbox"/>	

- (a) To avoid misunderstanding.
- (b) Because they are users of the area
- (c) To avoid appeals and/or litigation
- (d) Because they are a constraint to implementation
- (e) A need to be inclusive
- (f) Because they have valuable expertise to share
- (g) A need for local knowledge
- (h) Because they are potentially affected by the project
- (i) Other (*please explain*)

9. Are there resources that community members needed to facilitate their participation in the project?

☐ Yes ☐ No ☐ Don't know

If yes, please check the appropriate boxes in the table below:

	Check if needed	Check if received	From whom	<i>For what specific purpose</i>
Financial	<input type="checkbox"/>	<input type="checkbox"/>		
Training	<input type="checkbox"/>	<input type="checkbox"/>		
In-kind time, services, facilities	<input type="checkbox"/>	<input type="checkbox"/>		
Technical	<input type="checkbox"/>	<input type="checkbox"/>		
Other (Please describe)	<input type="checkbox"/>	<input type="checkbox"/>		

10. Please rate the local benefits of the stewardship contracting project on a scale of 1-5 with 1 being very high and 5 being very low.?

	Very high 1	2	3	4	Very low 5	Don't know
More local jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More on the ground work accomplished by local contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greater opportunity to use local contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other economic benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased collaboration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved efficiency and effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved public trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific project outcome (Please list and rate)						
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please describe and rate)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____						

11. Please rate the benefits of community involvement in the \_\_\_\_\_ stewardship contracting project on a scale of 1-5 with 1 being very high and 5 being very low.?

	Very high 1	2	3	4	Very low 5	Don't know
Broader understanding and consideration of diverse interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased opportunity for public input	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved sense of project ownership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased support for the agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please describe) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Please rate how widely supported do you believe this stewardship contracting project is/was in the community?

- ☐ Widely supported  
☐ Somewhat supported  
☐ Indifferent  
☐ Opposed  
☐ I don't know

13. How widely supported do you believe this stewardship contracting project is/was in the agency [Forest Service and/or BLM]?

- ☐ Widely supported  
☐ Somewhat supported  
☐ Indifferent  
☐ Generally unaware  
☐ Opposed  
☐ I don't know

14. Are there any lessons that you learned about community involvement through this project that you would like to share?

15. Based on your experience in this project, would you participate in another stewardship contracting project? ☐ Yes ☐ No ☐ Maybe

*Please explain.*

16. Are there any additional comments you want to make about either stewardship contracting generally or your personal experience with it?

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*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0201. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

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## Appendix B: *Regional Team Meeting Summaries*

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### Eastern Regional Stewardship Contracting Multiparty Monitoring Team Fiscal Year 2008 Report

In preparing this report the Eastern Team considered information from a number of sources including, but not limited to:

- telephone interviews (conducted by the regional subcontractor for the Pinchot Institute for Conservation) with agency personnel, community members, contractors, and other project participants in a stratified random sample of existing stewardship contracting projects; and
- team members' own personal observations of and experiences with stewardship contracting, including an October, 2008, team site visit to the Green Mountain National Forest.

Based on this information, the team formulated the following responses to the three sets of questions posed by the Forest Service:

***A. What are the predominant problems in engaging communities in USDA/Forest Service stewardship contracting projects? What are the team's suggestions for improving the current situation?***

The Forest Service's Eastern Region encompasses 20 states with over 43% of the nation's population, leading the Region to term its 17 National Forests "islands of green in a sea of people." Because the bulk of the population resides in or around major urban centers, most people must travel considerable distances to hike, hunt, fish, or otherwise enjoy the on-site benefits of National Forests. Thus, while the "communities of place" affected by stewardship contracting projects are primarily rural, the "communities of interest" are likely to include significant numbers of urban and suburban residents.

The emphasis the region places on partnerships has contributed to its considerable success in engaging communities of interest, especially those represented by conservation and forest user organizations such as The Nature Conservancy, the National Wild Turkey Federation, the Ruffed Grouse Society, and the region's many recreation- and sports-related groups. Communities of place, however, were found during the 2007 monitoring survey to be much less engaged than communities of interest.

There has been progress. Last year the outreach methods agency personnel in the region reported using the most were personal contacts and direct mail, the latter usually mailings connected to the NEPA scoping and comment processes. This year, personal contacts and public meetings topped the list. The role of communities in the stewardship contracting process also has become more substantive. The most oft-cited roles are still relatively passive – providing "comments and recommendations," "becoming informed," "representation of concerned/affected local interests," and "outreach and education." Compared with 2007, however, a considerably higher percentage of this year's agency interviewees said communities were also involved in project "planning and design," "development of alternatives," "implementation," "provision of technical information," "monitoring," and "funding." Some of this change, of course, may simply be due to

projects now being further along in their development and implementation phases than was the case in 2007, as an agency member explained:

*It's early. The whole premise is that most of the local community involvement is yet to come, through the contracting phase. The upfront or early collaborative work was more interagency and through the wildlife groups in getting it off the ground. But that's not local. That's more statewide, on the broader scale.*

Meanwhile, the main problem Forest Service personnel report regarding community engagement is their lack of time to work on it.

*It's a lot of work and a lot of just talking on the phone. I wasn't ready for that when I first started...It's amazing how much time I spent on the phone – not to mention the talking at meetings – with individual collaborators.*

\*\*\*

*It takes more time – and time outside our normal working schedules. It takes weekends and nights and a lot more handholding with individuals and groups to help them get their arms around what we're proposing...Most of us are firm believers [in stewardship contracting], but we also don't want it to drive us crazy and impact our personal lives outside of work without our having some payoff at a professional and personal level.*

Those time demands are not likely to decrease, as one respondent pointed out: “Collaboration is ...not amenable to streamlining.” Nor will a one-size-fits-all approach work in a region so diverse. A forest supervisor offered one example:

*The difficulty in New England [is that] there is an intersection of public and private land uses and relationships. This forest is as large as some districts out West, and there are 50 communities [within its boundaries]. Relationships are very specific to certain interests. [People] care about a specific tree or a patch of land. Interest groups are very focused. There are a bazillion recreation groups. [Concerned publics] are very fragmented and specific to places on the landscape.*

Dealing effectively with that fragmentation is particularly critical when the concerned community includes private landowners whose properties intermingle with national forest lands. Their compatible management of their lands may well be essential to the Forest Service's accomplishment of its goals – tree species restoration, habitat improvement, etc. Collaboration with those individuals “is another order of magnitude” in community engagement, an agency person said. “To implement our plans, we have to help our neighbors implement their plans.”

Collaboration is not a piece of cake from the community's side either, as some non-agency interviewees pointed out:

*[My view of stewardship contracting has] changed to a positive experience, [but], you know, it's a pain in the neck going through all that planning...*

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*National Forest personnel only went to the town officials, and could have gone to the public and adjoining landowners. They should learn that... They didn't tell one of the neighbors where the landing was going to be. The [Forest Service] pickups were parking in front of his place, and people were painting trees...before he learned what the project was all about. ...It would have been nice if they [neighboring landowners] had been gathered together and told something was going to happen in their back yard.*



Training opportunities provided by the Forest Service regional office and at least one partner organization have been helpful to field staff, potential restoration contractors, and other community collaborators in increasing their knowledge and building their comfort level with stewardship contracting. A project officer said:

*Some of our collaborators had a very much better understanding [of stewardship contracting] than others. The region held one training session for the agency and another for cooperators. We got a much better understanding at those video trainings about collaborations. I wished we had been able to have that training before we started in the process. Only two of our collaborators went to the training though.*

Lack of shared understanding of key elements of stewardship contracting can cause frustration and confusion both internally and externally. When asked how they would explain stewardship contracting to someone, the agency personnel surveyed usually emphasized its collaborative aspect, its anticipated efficiencies, the ability to trade goods for services, the retention of receipts to do work locally, and using local contractors to do the work on the ground. Community members interviewed sometimes had a somewhat different understanding: For example:

*[It's] getting money from the forest to do work in the community.*

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*First and foremost it's a way for fees and/or revenues generated within the forest to stay in that forest. It's also a way for volunteer organizations such as mine to receive in-kind services from people who have contracts with the Forest Service to offset some of those costs. They can help support volunteer groups.*

The confusion can be frustrating for all concerned:

*Agency person: There were many ideas that were brought forward [by the public] that we more or less unilaterally threw out. Some were not appropriate to the stewardship project – like land acquisition, buying fire trucks, doing too much on private land, etc.*

*Contractor: I thought they would be assisting with projects outside the forest, but near the forest. But it seems to be that all the projects they are doing are on the land that the sale in [on]....I thought that there might be a chance for using the money to educate adjacent landowners in how better to manage their timber – help them with a management plan.... Maybe a non-commercial timber stand improvement might be needed.*

*Community member: Everybody wants their chunk of money. That's the part they [Forest Service] weren't sure about. They weren't sure how far they could go from the project area and do a project....Could you go two counties over, for instance?...They still aren't sure that they have the parameters right on what stewardship contracting would do.*

In spite of the challenges that a new way of doing business engenders, support in the region for stewardship contracting is strong both within and outside the agency. Success in collaborative efforts has been a morale booster for some Forest Service employees. “[A] big lesson learned...is that...we developed some good, new relationships and new appreciation from the community of what we do. People were genuinely appreciative of our efforts. They were hopeful of the outcomes,” said one. Another termed stewardship contracting “the biggest breath of fresh air in 32 years in the agency.” A community member saw it as a galvanizing force: “Stewardship contracting is the spark that kind of gets things going.” All but one of the 2008 interviewees said that they would participate in another stewardship contracting project if they had the opportunity – and the remaining one allowed that “maybe” he would.

The depressed timber market raised new complications for collaborative projects in some areas this year. The number of service items to be completed under a stewardship contract may have to be scaled back if appropriated funds are not available to fill the gap left by the lower-than-anticipated value of the “goods” used to offset service costs. In planning new projects, an experienced agency collaborator warns, *“We have to be cautious. Don’t be overoptimistic early on, and don’t commit to what you aren’t sure you can do.”* Regarding projects already in the pipeline, it will be even more important to keep concerned communities and other stakeholders regularly and fully informed throughout the process, so that they are do not feel betrayed or misled if a desired work activity cannot be completed as originally planned.

A positive new development in 2008 is the work accomplished to facilitate the greater use of agreements to implement stewardship projects. The partners engaging with the Forest Service in stewardship agreements (so far primarily wildlife/conservation groups such as the Rocky Mountain Elk Foundation and the National Wild Turkey Federation) can bring to the process not only financial and technical resources, but also existing community connections, well-honed outreach skills, and experience in working with a variety of interests to accomplish shared on-the-ground objectives.

### **Recommendations**

**(1) Community involvement in stewardship contracting should be part of a broader strategic plan for public engagement** that is collaboratively developed and carried out on each Forest.

**(2) Appropriate training and technical assistance in developing and sustaining productive community engagement/collaboration processes needs to be readily available** to both agency and non-agency participants – preferably jointly, in order to foster shared learning and a better understanding of each others’ perspectives and expectations.

**(3) Agency and non-agency individuals skilled and experienced in communication and collaboration should be enlisted in developing and delivering Forest Service stewardship-related training and mentoring programs.**

**(4) Community members and other stakeholders should be invited to participate in other agency stewardship-related training programs.** It is important that they understand the roles that non-agency participants can/should play in stewardship contracting, from participating in the development of contracts, to the selection/weighting of the criteria used in determining “best value,” to serving on technical review panels and participating in project monitoring.

**(5) Collaboration skills should be included in agency recruitment criteria for a wider range of positions.** Possession or development of those skills is already a key component of executive core development, but the ability to collaborate effectively with a broad range of internal and external stakeholders is needed by more than line officers. *“The agency needs extroverts,”* a line officer said. *“And they need the latitude to be extroverts,”* added a wildlife organization official.

**(6) Employee performance measures that encourage the development and utilization of Forest Service employee’s collaborative skills should be adopted.**

**(7) Effective participation in collaborative efforts should be recognized and rewarded,** not only through performance appraisals, but also in nominations for agency awards and other appropriate means. Non-agency collaborators should be acknowledged and honored as well.

**(8) External capacity should be identified and tapped.** Some of the agency’s existing partner organizations are experienced with stewardship contracting and able to provide valuable technical assistance as well as financial and volunteer resources to Forest Service projects. It is important to continue to widen

the range of non-agency groups and individuals who can catalyze and facilitate community engagement in stewardship projects. Non-government organizations, Conservation Districts, Resource Conservation and Development Councils, and others have played key roles in stewardship contracting projects around the country – organizing and facilitating community collaborative processes, serving as project contractors when no for-profit business was willing or able to do so, designing and carrying out multi-party monitoring programs at the project level, etc. *“Community leaders are extremely valuable and sometimes more effective in organizing groups to get involved,”* an agency interviewee learned. *“I found that with the subdivisions, finding the key individuals and spending time with them and helping them become catalysts was worth it...We found the two very active families, and they said, ‘We’ll organize it.’...It worked, and all we had to do was show up.”*

**(9) Community outreach opportunities should be aggressively sought.** Taking advantage of events and activities hosted by existing local groups, rather than scheduling separate Forest Service functions, can be both cost effective and a clear demonstration of the agency’s commitment to collaboration and community involvement.

***B. What successes have emerged within the region for engaging communities in stewardship contracting. What fostered those successes?***

The Green Mountain National Forest (GMNF) **Nordic Project** is one of the largest to date in the region in terms of both size (2,366 acres) and proposed volume (11,515 CCF), and is being implemented through two conventional timber sales, 14 stewardship contracts (nine Integrated Resource-Timber contracts and five Integrated Resource- Service Contracts), and one stewardship agreement.

The Green Mountain and Finger Lakes National Forests (GMFL) formed a Stewardship Contracting Activity Team (SCAT) to help focus their intensive community involvement effort, which utilizes (among other tools) specially developed maps and informational materials, field tours, public presentations and discussions, and regular meetings with local governmental bodies, neighborhood groups, contractors, recreation-related businesses, wildlife organizations, and other concerned stakeholders.

The SCAT has been a key factor in the Nordic Project’s success to date. It functions as a Project Activity Team and has eight core members, each with a different role – collaboration, records/research, resource integration, agreements and partnerships, contracting, silvicultural/trust funds, contracting officer/timber contracts, and line officer. Other participants are recruited as needed for their expertise in addressing specific program needs, such as public affairs, engineering, recreation, and partnerships. Among the SCAT’s responsibilities are to:

- Be a “center of excellence” for stewardship contracting on the GMFL;
- Provide the Forest with a strategic vision for the use of stewardship contracting;
- Function as the Forest’s “stewardship coordinator;”
- Conduct outreach and education in communities;
- Foster a culture of collaboration and community engagement;
- Provide guidelines for collaboration to meet the intent/requirements for stewardship contracting;
- Make recommendations to Interdisciplinary Team Leaders on collaboration and the scope and scale of projects which can make the best use of stewardship contracting;
- Build and execute contracts and agreements for the Nordic project;
- Teach others on the Forest how to build contracts and agreements (technology transfer);
- Monitor the progress of stewardship contracting proposal development and review proposals prior to Forest Supervisor approval; and

- Monitor the internal and external status of stewardship contract implementation

One unique advantage of the SCAT may be the continuity and “institutional memory” it can provide for stewardship contracting on the GMNF. On many Forests, one or more agency staffers work closely with a community throughout the project planning process, but when it’s time for implementation, responsibility for the project is transferred to other employees. In that shift, the vital collaborative relationships and shared understandings built during the project development phase can be disrupted or impaired. *“We need stewards of stewardship contracting...someone who can always be there, A to Z,”* one interviewee said. Collectively, the members of SCAT fill that role.

The SCAT meets once a month in an all-day session. Collaboration is modeled by the team through its internal decision making, which is done by consensus, with the team leader “deciding as backup.”

The Nordic Project is still in the early stages of implementation, but the GMNF notes that relationships with local communities and interest groups have already significantly improved. Contractors and agency personnel are enthusiastic about the on-the-ground results, and the Forest is now embarking on another ambitious and multi-faceted stewardship effort, the Natural Turnpike Project.

The **Bradford Watershed Project** on the Allegheny National Forest was initiated by the Forest Service but is now supported by some 30 groups working together as the Allegheny Watershed Improvement Needs Coalition (WIN). Less than two years old, WIN has been very effective in mobilizing resources to accomplish its mission: “to promote protection, restoration, and habitat improvement activities in watersheds that lie entirely or partially in the Allegheny National Forest to achieve Forest Service and community needs through collaboration and partnerships.” *“It’s very partner driven,”* a member explained. *“Those involved bring money or volunteer resources to the table. Everyone contributes something.”*

Intensified oil and gas development in recent years, coupled with increased motorized recreational use of the area have led to increased sedimentation into rivers and creeks, damage to riparian areas, and fish passage blockage. *“Designing, developing, and identifying the soil and water needs and what to do about them [was done] in an open forum and with many different types of groups working together on how to get them funded, designed, etc.,”* a WIN participant said. *“It wasn’t a deal that [the Forest Service] came with something already done and said, ‘What do you think?’ We worked together on priorities, funding mechanisms, etc.”*

The Bradford Watershed Project stewardship contract can cover only some of the needed work, so other funders and WIN member organizations and agencies are mobilizing their resources as well. Challenge cost-share agreements and MOUs are being used to facilitate work on Forest Service land. Two timber companies are involved in replacing some of the crossings. Two oil and gas companies are cooperating in the blocking off of illegal ATV trails. Tribal experts contributed important information to the NEPA assessment of historical and cultural resources. *“When it comes to working on things on the ground to actually make a difference -- something concrete that people can work together on, from private landowners to the federal government agencies...When you start talking real things, people can work together,”* said another WIN member.

A member organization plans to organize monitoring and evaluation activities pre- and post-implementation. Road sedimentation and runoff and in-stream sedimentation will be studied, using volunteers from the community to assist whenever possible. *“A lot of the people involved, like the adjacent landowners and sportsmen’s groups are interested in it because it’s in our backyard and we want to improve the conditions on the stream,”* said an association executive. *“Members of conservation groups are also members of the local community. This is an educational opportunity for youth – through [my organization] we’re going to try to get some of the youth involved out here on the ground. It’s public education.”*

## **Recommendations**

**(10) Agency participants need to be able to take the time to build collaborative community relationships as part of their job, not as another add-on to it.** Effective community engagement not only contributes to better projects, but also increases community/stakeholder support for the agency's work and enhances local "ownership" of and investment in it.

**(11) Supplement the annual telephone survey programmatic monitoring process with a series of more in-depth case studies.** The team believes case studies would be an effective means to examine a range of projects to determine how their participants and stakeholders define success, how they work to achieve it, and how and to what degree community engagement contributes to on-the-ground accomplishments.

**(12) Share lessons learned.** Wheel reinvention is frustrating and wastes valuable time for Forest Service employees and communities embarking on their first stewardship projects. The agency can facilitate the increased use of stewardship contracting and foster more project successes by sharing widely and in a timely fashion the relevant experiences and lessons learned that continue to emerge.

**(13) Encourage innovation and creativity.** Projects in which communities are the most effectively engaged often are using stewardship contracting's various special authorities to enable them to implement "outside the box" approaches to meeting unique community needs. A highly risk-averse agency management environment can stifle needed innovation and creativity both internally and externally.

## ***C. What are the major perceived benefits of Forest Service stewardship contracts to communities within the region?***

Specific project outcomes – "Getting work done on the ground" – was the benefit cited most frequently by Forest Service personnel, community members, contractors, and other stakeholders alike. Other highly ranked benefits include "more on-the-ground work accomplished by local contractors," "increased collaboration," "greater opportunity to use local contractors," and "improved public trust."

A project participant summed it up, *"This stewardship thing – it makes us all stewards. It makes us all have some responsibility toward the land. I like that."*

## **Comments and Recommendations**

**(14) Flexibility is the key to the survival of stewardship contracting.** The use of integrated resource contracts has provided a definite benefit by helping break down the "stovepiping" that previously kept timber, silviculture, fuels, recreation, and wildlife each working separately. However, the contracts themselves are becoming more prescriptive and rigid, what a contractor describes as "400 pages of 'thou shalts' and 'we gotcha's'" That approach saps the spirit of stewardship contracting and flies in the face of the goal of establishing a new, collaborative relationship among agencies, communities of place and interest, and capable contractors to achieve the desired, beneficial end results. The agency should consider "right-sizing" contracts to be commensurate with the degree of risk involved.

Flexibility is important not just in contracting. An agency interviewee explained, *"Sometimes leadership wants you to stay on schedules, and when you work with communities and want to be collaborative, you have to stay flexible. You have to be able to step back and take the time, rather than pushing people or cutting corners."* Field staff working their way through new and challenging community collaborative processes while also being pressed by upper management to produce a certain number of stewardship contracts each year are caught between the

proverbial rock and hard place, and the experience. Explained one frustrated survey respondent. “[*Stewardship contracting*] should be a tool, not a target.”

**(15) The use of agreements should be encouraged wherever appropriate, and should receive greater emphasis and support.** Agreements enable administrative and operational flexibility, and bring much-needed financial and technical resources to the restoration effort. In addition, they can create a whole different mindset, with the agency and the other party to the agreement functioning as partners – a relationship in which “you shall...” is replaced by “we will agree to...”

**(16) Restrictions on the use of stewardship contracting, particularly those related to recreation and heritage resource protection, should be re-examined.** An agency interviewee explained the problem well. “*There are many people in our recreation department here that are really upset that...recreation trails can't be part of a stewardship project...It would be nice to be able to incorporate cultural resources, recreation, etc. into our project plans. What it [not being able to include some activity areas] has the potential to do is divide us in-house. If those specialists don't have an opportunity to participate [in projects that benefit their area of activity], it's hard to get them motivated to do stewardship contracting....Outcome-based ecosystem management providing local jobs is what we're supposed to be doing. We talk about the human element in the ecosystem, and then to exclude the human element (recreation) from stewardship contracting is divisive.*”

**(17) The cancellation ceiling issue must be resolved in order to facilitate the use of long-term Integrated Resource Service Contracts.** Some BLM offices are using Indefinite Delivery, Indefinite Quantity contracts (IDIQs) or sequential contracts in an attempt to alleviate the problem, but those are far from perfect solutions.

**(18) Minimize the internal and external “overhead burden.”** Agency personnel, contractors, and project partners alike raised concerns about excessive paperwork, complicated and time-consuming procedures, and inefficient use of resources.

**(19) Make the contracting process more user-friendly for contractors.** Capable contractors are key to project success, and the required use of “best value” criteria in awarding contracts is one of stewardship contracting’s most powerful authorities. But this is a new way of doing business both for contractors and agency personnel. Some positive steps that might be taken to encourage more contractor interest in stewardship contracting are:

- providing training for potential contractors in proposal preparation,
- imposing minimum rather than maximum bonding requirements where appropriate, and
- being open to contractors’ suggestions for possible alternate ways (different equipment, different techniques, etc.) to achieve the desired end result on the ground, and

**Eastern Region  
Stewardship Contracting Multiparty Monitoring Team Members  
As of 10/1/08**

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**Incoming team member:**

Paul Karczmarczyk  
Ruffed Grouse Society

**Thank you**

The Eastern Regional Multiparty Monitoring Team appreciates the opportunity to be able to provide our assessment of stewardship contracting as it impacts local communities, and to contribute our recommendations for actions to further improve the use of that management tool.

We have reviewed the Forest Service's July 2008 "Stewardship Contracting Inquiry Team (IT) Report and Proposed Action Items" and are happy to see many of the recommendations that we have been making are proposed be addressed. We share the IT's "sense of urgency" and its belief that the agency "must show significant accomplishments...to maintain partner involvement/assistance and receive congressional support for reauthorization or permanent authorization."

If you have questions or need further information about any of the points in this report, or if we can help advance the implementation of the IT's recommendations, please do not hesitate to call upon us.

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**Northern Rockies Regional Stewardship Contracting  
Multiparty Monitoring Team  
Fiscal Year 2008 Report**

In preparing this report the Northern Rockies Regional Team considered information from a number of sources, including but not limited to telephone interviews conducted by the Pinchot Institute for Conservation (through its regional subcontractor) and team members' personal observations of and experiences with stewardship contracting. Based on this information, the team formulated its responses to the three sets of questions posed by the Forest Service:

***A. What are the predominant problems in engaging communities in Forest Service stewardship contracting projects? What are the team's suggestions for improving the current situation?***

Again in Fiscal Year 2008, the Forest Service representatives interviewed reported that the primary role of local communities in their stewardship projects was providing "comments and recommendations," "becoming informed," and "representation of concerned/affected local interests." Less than half the respondents said their communities were involved in project planning and design, development of alternatives, project implementation, monitoring, or other, more proactive ways. Personal contacts and direct mail are the primary outreach tools used, with field tours a close third. The use of traditional public meetings declined substantially this year, falling well below the levels reported in 2006 and 2007.

The multi-faceted restoration projects common during the demonstration phase of stewardship contracting now are much less often undertaken in this region (Idaho, Montana, North Dakota, South Dakota, and



Wyoming). Current projects are mainly concerned with insect- and/or disease-caused tree mortality, hazardous fuels, and other wildfire-related issues. They are likely to be located close to communities, wildland-urban interface neighborhoods, and/or local areas popular for recreational use. This limiting of scope and scale frequently reduces the number of concerned individuals and interests, and engenders a less formal collaborative process. One agency interviewee observed:

*When [stewardship contracting] first came out, we always talked about how you have to go to these groups [and collaborate]. It was very much a group-oriented [concept]. These [fuels projects] turned out to be very personal. There aren't the groups here, and sometimes you have to go out and chat with [potentially concerned individuals] one-to-one or with small groups on the trail to find out what some of the issues are there.*

Another said:

*A lot of [our public involvement] was just one-on-one. People were curious about [the project], and we just tried to explain what we were doing and why. Individual communication is probably a little more effective than public meetings. In the grocery store is where they get you. In a public meeting, they're a little intimidated.*

Agency personnel generally recognize community engagement and collaboration as valuable activities, with benefits that can extend beyond a specific project:

*I think you get good projects – better projects – through the collaborative process and through a stewardship contract. I also think that the collaboration that goes along with this stewardship contract has a lot of benefits outside of the project itself – the relationships you build, the partnerships you build, etc.*

There are exceptions. The spokesperson for a community group with concerns about a nearby project recalled their attempts to collaborate with the agency:

*This was a very stressful process. This was pulling teeth on our part to try to get acknowledgement from the Forest Service that we had some serious issues that we wanted to get raised. It wasn't like they stepped into the process willingly.*

On balance, however, stewardship contracting outreach efforts across the region are reported to be useful and appreciated, although they usually fall well short of being truly collaborative. Assessing the degree of collaboration in their projects, the majority of both agency and non-agency interviewees reported it as “somewhat” or “not at all” collaborative.

Forest Service staff are under pressure to get more stewardship projects (particularly fuels reduction projects) underway, but they are too often handicapped by time constraints and a lack of training and/or experience in collaboration. “You need to get [the community] involved early, and that's what we didn't do,” said one interviewee. “We were aware of it. We knew that this would be a problem.”

A depressed timber market coupled with increased fuel costs further complicated collaborative efforts in 2008. A project manager explained:

*If the market is high and if there's multiple bidders, if you can have that opportunity, it's great. Then you have the opportunity to identify programs, projects, work to get done. You maybe have a [sense of] exuberance about what you can accomplish. But with this market, you might not have the revenues to go down that list [of projects] very far. You need to be pretty sensitive to [not] amping up internal and external expectations... You might not be able to meet some of the public expectations.*



A positive new development is the growing use of agreements to implement stewardship projects. The partners engaging with the Forest Service in these endeavors (so far primarily wildlife/conservation groups such as the Rocky Mountain Elk Foundation and the National Wild Turkey Federation) bring to the process not only financial and technical resources, but also existing community connections (their local members), well-honed outreach skills, and experience in working with a variety of interests to accomplish shared on-the-ground objectives.

### **Recommendations**

- 1) **Community involvement in stewardship contracting should be part of a broader strategic plan for public engagement** that is collaboratively developed and carried out on each Forest.
- 2) **Appropriate training and technical assistance in developing and sustaining productive community engagement processes should be readily available to both agency and non-agency participants.**
- 3) **Community members and other stakeholders also should be invited to participate in other stewardship-related training programs along with agency personnel.**
- 4) **Agency and non-agency individuals skilled in communication and collaboration need to be enlisted in developing and delivering the Forest Service's stewardship-related training and mentoring programs.**
- 5) **Employee performance measures that encourage the development and utilization of collaborative skills should be adopted.**
- 6) **Effective participation in collaborative efforts should be recognized in agency performance appraisals, nominations for awards, and other appropriate means. Non-agency collaborators should be acknowledged and honored as well.**

### ***B. What successes have emerged within the region for engaging communities in stewardship contracting? What fostered those successes?***

The regional monitoring team said last year that Forest Service staff need not always lead or facilitate community involvement efforts, and that there are a growing number of capable entities able to help the agency advance the use of stewardship contracting through community engagement and in other ways. This year we had the opportunity to learn how some Conservation Districts (CDs) in Wyoming have done just that.

The Little Snake River CD and the Laramie Rivers CD both secured and administered stewardship contracts to demonstrate by example to private contractors that stewardship contracting can be both feasible and profitable for small operators. Their projects had the further benefits of creating employment for area subcontractors, increasing the availability of local wood products, and helping re-build the state's forest industry infrastructure to be competitive in today's marketplace. The Teton CD and the Saratoga-Encampment-Rawlins CD sponsored well-attended stewardship contracting workshops for contractors, local government officials, and others, and the Teton CD continues to work with entrepreneurs and local businesses and governments on innovative ways to use biomass from stewardship projects, with the goal of developing viable, profitable niche markets. State Forester Bill Crapser credits the Conservation Districts with "moving stewardship contracting forward in Wyoming."

Contractors with a positive view of stewardship contracting also can contribute effectively to community engagement. In connection with their participation in the newly formed Clearwater Basin Collaborative

(CBC) for the Nez Perce and Clearwater National Forests in Idaho, representatives of The Wilderness Society recently toured two sawmills in northern Idaho – Three Rivers Timber, Inc. in Kamiah and Bennett Forest Industries in Grangeville – to look at current manufacturing technology and operations. A goal was to learn how conservation and timber interests can work together to craft ideas for constructive restoration projects. Three Rivers resource manager, Mike Hanna, and Bennett resource manager, Bill Higgins, are both voting members of the CBC and would like to see it take on project design or the outlining of desired future conditions for stewardship contracts, one on each national forest to start.

Three Rivers started stewardship contracting early, has done five projects so far, and wants to do more. On Crooked River, a recent project on the Nez Perce National Forest, Three Rivers was the lead contractor, working with Bennett, the Nez Perce Tribe, the Rocky Mountain Elk Foundation and additional sub-contractors. They did most of the service work first, demonstrating good faith with the community by showing that it would get done. About 16 MMBF was cut at Crooked River and \$1.2 million spent on restoration work such as thinning, planting, road decommissioning, trails, and creek restoration, Hanna believes stewardship can expand the number of jobs in the woods, some related to logging and some different, while tapping similar skills and equipment. He is also confident that people can be found in the area with the desired skills.

The planners of the Valley Face project on the Flathead National Forest in northwest Montana wanted to give the public the opportunity to help with project definition, rather than just react to a Forest-defined proposal. Their outreach strategy was to provide information about the project and then work with people one-on-one at their request to get input. Open houses, field trips, mailings, personal contacts, and other means were used to stimulate public interest, and planners and resource specialists actively engaged with community members and other stakeholders. An atmosphere of shared learning was created, which ended up spreading beyond the Forest boundaries. As one neighboring landowner described the part he played:

*Having the notice of the project and the opportunity to participate was really good. I also fostered a discussion in the community – with my neighbors at least – to talk about natural resource management benefits to watersheds, wildlife, forest health, rural- wildland interface concerns, opportunities -- you know, the monetary consequences or risks of the lack of forest management, not only to wildfire and our properties and the resources we enjoy – hunting, fishing, scenery, flatwater canoeing, the avian populations...I manage my property, and several of my neighbors...don't [manage theirs], so [the public involvement process] was a good learning opportunity for them. It shows the breadth and scope of [agency] people who by profession are charged with the responsibility of managing our natural resources in a professional way. Some people don't really realize the expertise, knowledge, and experience that the people have that are engaged in managing these resources. It's a really good opportunity for them [the public] to be exposed to people like that.*

## **Recommendation**

- 7) Agency participants need to be able to take the time to build collaborative community relationships as part of their job, not as another add-on to it.** Effective community engagement not only contributes to better projects, but also increases community/stakeholder support for the agency's work and enhances local "ownership" of and investment in it.

### ***D. What are the major perceived benefits of Forest Service stewardship contracts to communities within the region?***

Specific project outcomes – needed restoration work getting done on the ground – tops by a wide margin the list of benefits cited by interviewees. They also appreciate stewardship contracting as a tool that provides resources (particularly funding) that otherwise would not have been available for that work, and they like the use of local contractors to do the work. A less tangible, but important, perceived benefit is an improved

level of trust between the Forest Service and the community and, perhaps, among the various interests in the community as well. In general, stewardship contracting is regarded positively by agency personnel:

*It allows us to do the right thing on the land. To me that's the benefit of stewardship contracting. It takes away some of the need to do cost-effective timber sales. We have the ability to produce the treatments we want the way we want them, and get the folks out there to do the right things right.*

And by contractors:

*In general, the stewardship contract is a great tool to incorporate into federal land management. The concept of using the thinning of a renewable resource to fund and accomplish restoration work is a great idea.*

And by community members:

*I think that the Forest Service should continue with this stewardship...approach. I think it's good for the community, the resource, and the agency.*

But Forest Service employees and contractors also are apt to qualify their positive assessment of the benefits of stewardship contracting with concerns about the frustrating complexity and time-consuming nature of the agency's stewardship contracting processes:

*Agency person: My view now is somewhat negative. The stewardship process is VERY burdensome in terms of time and inefficient in terms of outcome related to costs incurred. The internal processes for "start up" approvals and documentation are not efficient. The financial tracking and methods of making contract modifications that affect transfer of funds —[the] systems we have do not interface well with stewardship contracts. Budget and Finance staff processes are often counter to the concept of supporting stewardship, again related to modifications — time consuming and confusing. Overall the separate tools of timber sale contracts and service contracts for the same work would have been far more efficient.*

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*Contractor: At the district level the partnership is definitely there. It's when you get into the contracting officers and contracting administrators. They've never been forced to think outside of the box. [Their rigid approach] has been ingrained in them for so long that they can't stop thinking that way, I guess. We have a fairly good relationship with the contract administrator, but the [contracting officer] mindset is different from that of a biologist, for instance...If you want [stewardship contracts] to really work on a large scale, you will have to have them designed so that the contractors can make them work.*

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*Agency person: I think [stewardship contracting's] a great tool, but perhaps it's not recognized how much additional time putting together the contract itself takes compared to [doing] a conventional contract.*

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*Agency person: From the outside looking in, stewardship contracting looked like it would be a godsend for getting some of our projects done. But then it felt like there were obstacles at every corner from "on high" [in the agency]. The rules and regulations make it a cumbersome tool, and it's not turning out to be as clean and easy as I'd hoped when it was being sold.*

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Agency person: *Mainly [looking at it] from the perspective of the purchasers, it's too complex. All the FAR regulations add a level of confusion*

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Agency person: *I think the clunkiness in stewardship will work out, but I just don't want to be the pioneer.*

Community members have concerns about the time it takes to get work going on the ground and, if not kept fully informed by the agency, may not be able to differentiate between NEPA-related delays and those related to the stewardship contracting process itself. Unexpected or unexplained project changes can also dampen enthusiasm.

*A project that takes decades either to complete or to go away – just to have it linger forever in limbo – the community becomes exhausted and numb. They just don't care any more.*

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*There was a lot of community involvement in it [from the beginning], and then the decision to change it was made behind closed doors. That was really unfortunate because there was a lot of support from the community, and at the end it was, "What the hell?"*

### **Comments and Recommendations**

- 8) **Flexibility is the key to the survival of stewardship contracting.** The use of integrated resource contracts has provided a definite benefit by helping break down the “stovepiping” that previously kept timber, silviculture, fuels, recreation, and wildlife each working separately. However, the contracts themselves are becoming more prescriptive and rigid, what one contractor describes as “400 pages of ‘thou shalts’ and ‘we gotcha’s’” That approach saps the spirit of stewardship contracting and flies in the face of the goal of establishing a new, collaborative relationship among agencies, communities of place and interest, and capable contractors to achieve the desired, beneficial end results.
- 9) **The use of agreements should be encouraged wherever appropriate, and should receive greater emphasis and support.** They enable administrative and operational flexibility, and add much-needed financial and technical resources to the restoration effort. In addition, they can create a whole different mindset, with the agency and the other party to the agreement functioning as partners – a relationship in which “you shall...” is replaced by “we will agree to...”
- 10) **The cancellation ceiling issue must be resolved in order to facilitate the use of long-term Integrated Resource Service Contracts (IRSCs).** Some BLM offices use Indefinite Delivery, Indefinite Quantity contracts (IDIQs) or sequential contracts in an attempt to alleviate the problem, but those are far from perfect solutions.
- 11) **The restriction on bringing additional funds into an Integrated Resource Timber Contract (IRTC) to carry out needed service items should be revisited.** There may be instances – particularly when timber prices are low, as they are now – that additional resources may need to be brought to bear so that needed service work can occur. Deferring or dropping key service items is likely to be of significant concern to the communities/stakeholders who helped plan those activities.
- 12) **“Cherry picking” items from a contractor’s project proposal to perform them internally with agency resources should be discouraged.** Contractors argue that the cost comparisons agency personnel use to justify taking an activity in-house are not appropriately calculated to include factors such as true agency overhead costs. Further, removal of some activities from a bid package may decrease its overall financial viability and increase the contractor’s economic risk.

- 13) **Larger scale projects are usually needed when wildlife habitat restoration and/or improvement is the objective.** The BLM's Wyoming Front Aspen Restoration Project is one example of an appropriately scaled habitat restoration effort, with activities conducted in a 38-mile-long, 243,800 acre project area, 71 % of it under BLM management
- 14) **Using retained receipts to fund a new project should not exempt it from having a community involvement processes.** Sometimes after a community group has been engaged in multiple stewardship contracting projects, the improved trust and understanding built over the course of those projects may reduce the time members feel they need to spend in collaboration on later projects. However, most communities still want to have a voice in the selection and prioritization of project areas and activities, and in the determination of how any retained receipts will be spent. At a minimum, members of the collaborative group(s) involved in the projects that generated the retained receipts should be involved in deciding how those funds are spent.
- 15) **If a Resource Advisory Committee (RAC) provided funds to support a stewardship contracting project which subsequently had retained receipts, reimbursement of the RAC's funds should be a permitted activity,** with the RAC determining their future use. Ideally, of course, enough needed service items would be included in projects (as mandatory or optional activities) to preclude the accumulation of retained receipts. This is an issue of fairness for RACs and community stakeholders.
- 16) **After a contract is let, the contracting officer on either an IRTC or an IRSC should have the flexibility to negotiate with the contractor the dropping or adding of service items, as necessary, in order to deal with identified needs that result from changes in on-the-ground conditions, new scientific information, or other factors** that lead to a service activity not originally included in a stewardship contract becoming of greater importance than one of the original service items. This is particularly critical in the case of multiyear contracts, where adaptive management is essential to success.
- 17) **Not only timber contracting officers, but also procurement officers and agency specialists involved in designing and/or evaluating stewardship contracts need to be familiar with current logging techniques and equipment in order to be able to effectively evaluate best value bids.** Field demonstrations of state-of-the-art technologies and/or the use of videos of various types of equipment in action could be useful learning tools. Contractors should also be encouraged to be more informative in their bids. Instead of just stating that they will "machine thin and pile with a log processor," they should include information such as make and model, whether the equipment is wheeled or tracked, its width, and its operational capabilities.
- 18) **Some off-Forest work should be considered for inclusion, as appropriate, in IRSC contracts.** In standard timber sales and in stewardship contracting agreements, some work on county roads and bridges used to access project sites on National Forests can be included in the contract or agreement. Making similar work possible under IRSC contracts would not only provide consistency in the administration of stewardship contracting and enhance community benefits, but could also increase local support for stewardship projects, particularly in areas where the exemption of stewardship contracts from "25% fund" payment requirements have dampened local government enthusiasm for them.

**Northern Rockies Regional Multiparty Monitoring Team Members  
As of October 1, 2008**

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### **Thank you**

The Northern Rockies Regional Multiparty Monitoring Team appreciates the opportunity to be able to provide our assessment of stewardship contracting as it impacts local communities, and to contribute our recommendations for actions to further improve the use of that management tool.

We have reviewed the Forest Service’s July 2008 “Stewardship Contracting Inquiry Team Report and Proposed Action Items” and are happy to see many of the recommendations that we have been making for years are now slated to be addressed. We share the Inquiry Team’s “sense of urgency” and its belief that the agency “must show significant accomplishments...to maintain partner involvement/assistance and receive congressional support for reauthorization or permanent authorization.”

If you have questions or need further information about any of the points in this report, or if we can help advance the implementation of the Inquiry Team’s recommendations, please do not hesitate to call upon us.

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## **Southeast Regional Stewardship Contracting Report Multiparty Monitoring Team Fiscal Year 2008 Report**

### **Introduction**

Less than half (17 of 37) of the forests in the Southern Region had used this tool. An evaluation of “the role of local communities in the development of stewardship contracts and agreements” is conducted annually to

assist the U.S. Forest Service (USFS) and Bureau of Land Management (BLM) assess their progress and report back to Congress. This report reflects the findings for 2008 based on survey of a twenty-five percent random sample of all projects. For 2008, that resulted in nine projects and twenty-five interviews. The sample last year resulted in seven projects. The Southeast Region includes MS, AL, GA, FL, SC, NC, TN, KY, VA, and TX.

A regional team meets annually to discuss successes, barriers and benefits to communities. The 2008 Southeastern Regional Team met in Edgefield, SC to feature partnership work between the Sumter National Forest and the National Wild Turkey Federation (NWTf). The NWTf hosted the meeting at their headquarters and helped coordinate logistics and planning. The Long Cane Ranger District of the Sumter National Forest led the fieldtrip featuring their RENEW woodlands savannah ecosystem enhancement project which includes over 17 specific projects bundled within various contracts. The work includes wildlife habitat and water quality improvement through activities such as 6000 acres of burning, 61 gate placements and replacements, thinning, and much more. The work showcased on the District was phenomenal and visibly active during the team visit. The project has stimulated a lot of interest within the purchaser and contractor pool. They received nine bids on the gate installation alone. The work is well supported within the community. This was attributed to a population of avid hunters and recreationists. Hunting is the number one industry in some of the surrounding counties. As noted by a NWTf representative, “*Habitat development in South Carolina is rural community development.*” The Sumter has a vibrant partnering history including the first stewardship contract with a non-governmental organization, the first challenge cost share grant in the Southern Region with NWTf, and one of the first Department of Natural Resources and USFS agreement in 1948.

## Overview

It has been almost ten years since Section 347 of the FY1999 Omnibus Appropriations Act (P.L. 105-277) authorized the U.S. Forest Service to implement up to 28 stewardship contracting (SC) pilots; each designed to test new administrative processes and procedures for the agency. The program continued to expand in size following passage of subsequent Interior Appropriation Acts (P.L. 106-291 and P.L. 107-63). By FY 2003, 84 projects had been authorized to test the following authorities:

- The exchange of goods for services;
- The retention of receipts;
- The designation of timber for cutting by prescription or description;
- The awarding of contracts based on “best value”;
- Multi-year contracting (service contracts of over a 5-year duration);
- Offering contracts with less than full and open competition; and
- Non-USDA administration of timber sales.

As of 2008, there are 376 active SC on USFS and BLM lands combined. The authorities were envisioned to help the agency combine and increase comprehensive ecosystem treatments as well as increase administrative efficiencies and opportunities for localized contractors. Collaboration and work with partners has also been heavily emphasized as key to SC success.

Relative to the other regions, SC has not flourished within the southeast. Smaller ownerships and perceived lack of need on the part of managers to add complexity to their contracting packages are primary reasons. Ironically, what makes technically for a good SC is also what makes them less appealing to southeastern managers. The key ingredients to make SC work include a fully integrated, fairly healthy industry and valuable timber resources along with supportive community-based partners. The southeast may not have supportive partners around every single national forest but for the most part does have the other ingredients and therefore have not felt a need to find new tools. SC has been popular throughout the interior West due to an excessive need to thin acres and acres of unhealthy, fire prone forests coupled with federal programs that



allowed for subsidization of low value material, e.g. the National Fire Plan, etc. As enthusiasm for turning wood to energy grows in the southeast and thus potentially for federal programs, SC may grow as a vehicle for feeding pellet plants, cogeneration facilities, and more. A couple of the early SC were designed with energy production in mind. More may follow.

The hook in this region to date has primarily been the restoration or general improvement of wildlife habitat. Regional successes come from places where wildlife habitat needs are identified in a partner environment and then through a SC those needs are met efficiently, dollars are leveraged through the partnerships, and trust relationships are built. The primary drivers have been membership based wildlife organizations as well as state Departments of Natural Resources. The greatest benefits to communities are the habitat focused projects that contribute to overall land health and opportunities to hunt and recreate in healthier; more abundant forests. Jobs and the expansion of opportunity for businesses have not been particularly impacted for better or worse.

Projects so far have been relatively small in size and scope, but that could change as wildlife advocacy groups, mainly NWTf and Rocky Mountain Elk Foundation (RMEF), push for region wide umbrella agreements associated with joint landscape level priority identification. This is coupled with the placement of biologists in key locations around the country. The engagement of these two groups, and others coming along like Quail Unlimited, represent much of the success within the collaborative side of SC for the region because they are bringing multiple benefits to the table: a) involvement of locals through membership; b) additional funding; c) coordination; d) technical information; e) training and liaison work with local contractors. The wildlife organizations see the enormous potential for accomplishing wildlife beneficial management and engaging their membership base in national forest management.

When USFS projects occur in close partnership with a localized membership organization, it exponentially increases public awareness and relations. Attention is brought to a positive outcome which translates in general to a more positive public perception of the agency. Evidence exists for increased interest in public land projects once local partners see progress on one specific endeavor. Success breeds success. From the partner perspective, meaningful collaboration around landscape level questions far outweighs the specific tool or even how it is utilized. Most people are more interested in the outcome on the ground than the SC mechanisms.

Over 50 percent of the projects within the sample are still initial attempts often initiated during the pilot phase. The timeframe from idea to implementation is still often reported as too long by both managers and partners. Six of the nine managers interviewed are still faltering on a steep learning curve and/or not convinced SC is the best tool for their setting. Though comparative to the previous two years, overall comments were more positive. There seems to be less pressure nationally to meet SC targets. Initially, national forests needed the incentive of targets to pick up the SC tools and experiment with them. There is hopefully an evolution underway that will increase the use of SC where appropriate based on perceived effectiveness. In general, more managers seem to recognize the benefits of more in depth collaboration, despite the longer lead times. Leadership at the Ranger level and above shows up over and over as a primary factor in success or failure. In all places observed where SC is advancing and reported as successful, a proactive and engaged Ranger is in the mix. Where Ranger attitude is negative or there is high turnover in the position, those interviewed express frustration and discouragement.

### **Agency Rules, Regulation, Policy and Culture**

Within the USFS, SC has experienced internal conflict and confusion over interpretation of the authorities, how to meld the opposing rules and regulations that govern timber sales versus service contracts, and in many quarters of the agency a resistance to embrace a concept that was given to them by “community partners” as opposed to something sought by the agency. The southeast, predominately more so than other regions, is well positioned to capitalize on SC due to the continued existence of an integrated timber industry



and robust markets. Yet, many southeastern line officers have preferred to stick with the known pros and cons of the KV system over the time consuming and little known SC. To plan, collaborate around, and package a SC is very time consuming thus it offers little in the way of obvious incentive for busy managers.

In an effort to launch SC beyond the pilot phase, upper level managers set annual targets yet meeting those targets ran counter to the collaborative element of SC. Unless a district or forest was already engaged in a collaborative process, targets resulted in projects ill suited for SC and lacking up front collaboration. Many managers have been left frustrated and with a negative perspective of SC. One manager noted, *“If I am looking for efficiency, I’ll never choose a stewardship contract. The spin-offs are what would make it worth while like the long term projects that result from collaboration.”*

The flexibility and long term nature of SC runs counter to agency rules and regulations especially the Federal Acquisition Regulations (FAR). An obscure regulation known as the “cancellation ceiling” has hampered the development of all but one large, long term SC across the nation. The White Mountain Stewardship Contract in Arizona is the only SC significant in size and scope. The cancellation regulations require that the government hold in a sort of escrow the funds needed to essentially pay back private investors should the government default on the contract. It is something of a reversed bond. Therefore, SC have been fairly limited in size, objectives, and terms.

Conflict between Contracting Officer (CO) roles, understanding and interpretation has been a significant barrier nationally. SC authorities lean toward a blending of the very separate territories of procurement contracting officers and timber contracting officers. According to a team member, *“COs make the difference; some forests have good ones that work together and others don’t.”* When there is an inability for COs to work together and quickly resolve issues, partners become disillusioned and feel there is no place “the buck stops” in terms of making a decision and moving ahead. Some feel that the flexibility needed is within the SC authority and the existing regulations but that it takes time to discover and relies on creativity and chemistry with partners. Others feel there should only be one contract that covers the desired objectives as determined by the local line officer and partners. The Sumter NF toured by the Regional Team this year illustrated how much work can get accomplished when COs work well together. Participants attributed the success to good communication between the COs. A staff member said, *“They have got it down here because they communicate well.”*

The use of retained receipts has always been an important and often confusing topic for managers and partners. This is relevant to the role of local communities in terms of community perception of monitoring as well as agency credibility. Many people outside scientific or resource professions use the term monitoring interchangeably with assessments. Often partner groups want to track changes over the course of a project whether it be economic, vegetative, or social which is in sync with the premise behind multi-party monitoring. These assessment activities can help the agency preserve a corporate memory of what has occurred as well as leverage “monitoring” funds while building trust relationships.

In July of 2007 the USFS updated the hand book regarding the appropriate use of retained receipts. The full document can be viewed at [http://www.fs.fed.us/im/directives/fsh/2409.19/id\\_2409.19-2007-2.doc](http://www.fs.fed.us/im/directives/fsh/2409.19/id_2409.19-2007-2.doc) Here is an excerpt:

*Retained receipts shall not be used for Forest Service salary, overhead, administrative, or indirect costs. Retained receipts may be used for NEPA environmental analysis contracts/agreements and project preparation contracts/agreements. Generally, use of retained receipts for these purposes shall be limited to meeting program objectives when appropriated funds are insufficient. Items to be monitored and monitoring protocols, as agreed upon within the collaborative group and recommended to the line officer, may be funded with retained receipts, appropriate funds, grants, volunteers, contributions from organizations, and so forth. Forest supervisors shall approve monitoring activities and determine the appropriate levels of use of retained receipts and appropriated funds in support of project level multi-party monitoring. Regional foresters shall approve the use of retained receipts for project level monitoring*

Further guidance released in December 2007 emphasizes the ability of national forests with their partners to fund multi-party monitoring type activities with retained receipts but to refrain from environmental monitoring with those same receipts. Here's an excerpt from Tim Dabney's, National USFS Stewardship Coordinator, letter:

*"The important environmental monitoring that is required by national forests' land and resource management plans shall continue to be funded by sources other than retained receipts from stewardship contracts. Our multiple-resource management activities are achieved through: 1) planning, 2) executing, and 3) monitoring. The best utilization of retained receipts is in combination with the non-monetary exchange of goods for services and appropriated funds to execute these activities to get good work done on-the-ground. This type of leveraging allows more availability of limited appropriated funds for use in planning and monitoring."*

As seen in past success stories, leadership at the Ranger level is vital. Certainly leadership in staff and Forest Supervisors is important too but good leadership among Rangers is a common theme in successful projects across the country. If positive Ranger engagement leads to a successful project, consistent Ranger engagement over longer periods of time leads to incredible success. Excessive turnover in the Ranger position often negatively impacts SC project stability and success.

By their own admission, the agency simply takes too long to do things like SC. Some partners complain about waiting years for work agreed upon to take shape on the land. Long time lags between envisioning a project and implementation give the impression that "no one is in charge." This is the greatest barrier to public participation on a meaningful scale. People expect to provide input and then see the agreed upon objectives on the ground within a couple years at most. Hard won trust is quickly lost when partners feel they have to meet over and over or ask about a project repeatedly without results.

### **Partnership Opportunities**

Successful SC are packaged to meet the local markets and abilities of contractors. In 2005 when the Desoto NF in MS began building their first SC, they knew to start with a query of purchasers about interest in bundled, long term contracts. The response was, "*We will bid on anything we can make money on.*" Most contractors do not have excess cash to float during the course of a project therefore packages must be easy to understand and flexible. It is clearly useful to have fully integrated markets with healthy competition. Other lessons learned include not complicating the service side too much and bundling projects along the lines of local specialties. In regards to bidding on SC, one contractor said, "*It is hard as a logger or mill owner to get into the business of doing special road work or habitat management. It's an adjustment for us and that takes extra time.*" Because of these adjustment times some areas benefit from initial projects that are managed by non-profit liaison type groups such as NWTF and RMEF. A number of the contractors interviewed learned the hard way how to bid SC. Most claim they bid too low and have lost significant amounts of money though they readily attribute much of this to the enormous jump in all petroleum dependent products, machinery, etc. One contractor used the example of replacing a culvert. When he bid the job the pipe cost approximately \$1,000. When the time came to purchase and install the pipe, the cost had more than doubled.

Being relevant to communities and engaging people as partners is an issue shared by many managers. Generally, national forests in the southeast represent a small percentage of the land base. In addition, their roles and budgets have diminished over the last two decades. Many seem to share a sense that it takes a disaster or threat on a large scale to galvanize people around forest issues much like wildfires have done in the West. Interest in national forests seems to fall within a few categories: environmental activists, hunters or recreationists, forest dependent industry. The notion is that people are narrowly focused on their particular issue and not on broader, landscape level collaboration. A sentiment prevails that "average people" are not interested or able to collaborate in forest management planning. One Ranger said, "*In the southeast we must work deeper with smaller successes, less infrastructure – we must first build capacity and understanding even before we*

*collaborate.*” It may be that in some places collaboration will occur with only a few representative groups and not a wide section of the community. Of most importance is first real attempts at reaching out to a wide audience early in the planning stages and secondly the ultimate outcomes on the land.

There seems to be a significant increase in the opinion among federal managers that upfront, in depth collaboration goes a long way toward not only reducing conflict but also in producing better designed projects. Early-on collaboration and scoping were seen as the same. That is to say, the feds designed a project and then asked a list of usual suspects what they thought. Beginning early with a wide net and recognition that an initial outreach process can take many months seems to have clicked for many. In the words of one manager, *“we learned through experience that the public does not like to be contacted after a project has been designed. They want to be part of placing projects on the landscape and this happens best sitting around a table, preferably on the land.”* Those who do not report a great deal of collaboration with their early SC projects acknowledge awareness of a need for this but wanted to “get their feet wet” with a small project and group.

The Chickashay Ranger District on the Desoto in Mississippi has realized multiple benefits from collaboration that was started in 2004 to improve conditions for a threatened tortoise. When Hurricane Katrina hit, they were able to mobilize quickly using the Healthy Forests Restoration Act. Involvement from the local Garden Club of Laurel, MS has resulted in aggressive mapping of cogon grass and a power point extolling the benefits of working together. For two days 22 volunteers surveyed for, and documented infestations by GPS. Over 63 miles of roadside were surveyed and 542 infestations were located. The ongoing SC has an agreed upon prescription that covers the entire District and the work has generated \$1.5 million in receipts creating an unusual problem and thus local benefit – excess money. The District attributes their success throughout the partnering process to flexibility, casting a wide net for partners, and being able to “put dollars on the table” up front.

The Mississippi experience may also be attributable to community culture. Several team members shared an opinion that support from communities varies widely depending on a Piedmont, coastal or mountain location. Reasons given had to do with economy and culture. There is less industry in the mountainous regions, especially forest based and thus less support for active management. The Piedmont and coastal areas are reportedly home to more traditional industry as well as avid hunting and fishing enthusiasts and therefore greater support for management.

Most with experience in successful collaboration would add that it also takes the ability to be innovative and creative with a mind set that through volunteers and partners more can be done on the ground. Team members agreed that it takes charisma to do good community work and that for a collaborative to be productive there must be a sort of “chemistry” between key players. Another team member criticized USDA as a whole for not being willing to take a more anthropological approach to their work with communities and on the land. This type of approach would factor in the long time frame for communities to adjust to and understand changes. A slower pace would accordingly empower people and allow for the capacity building needed for communities to capitalize on changes. For example, someone commented that most people don’t experience first hand how the presence or absence of resource management affects their quality of life in terms of the overall environment and their personal recreation experiences.

The improvement of habitat for wildlife whether it be for hunting or overall ecosystem health is proving to be a powerful incentive for the involvement of NWTF, RMEF and other wildlife advocacy groups like Quail Unlimited, Ruffed Grouse Society, etc. These groups are helping National Forests expand their ability to conduct habitat work, often backlogged, as well as improve collaboration. Both NWTF and RMEF have stewardship coordinators on staff. A RMEF representative commented, “We have a unique situation with a lot of great working relationships among groups and agencies. We don’t always agree but we do always sit down and find a way to cooperate.” NWTF has begun to hire biologists across the country charged with helping develop and implement projects. They are stepping up as primary partners bringing money, scientific

expertise, active membership bases, and facilitation skills to the table. In addition, NWTf has helped sponsor bidder workshops to bring industry along in understanding how to bid on SC. In most of the places where these organizations are involved with SC either as the contract holder or key liaison, managers are seeing exponential benefits in terms of wildlife habitat enhancement goals and expanding public awareness of the role national forests play in communities. Some believe that NWTf and RMEF are driving the current and future use of SC in the southeast, especially those deemed successful from a collaborative stand point. These groups are opening the door for increased SC by pushing to put umbrella agreements in place regionally that will serve as authorization for the USFS to enter into multiple projects with the particular non-profit. While specific contracts to accomplish desired work are still required, the umbrella agreements make for easier matching and transfer of funds.

Another boost to SC advances are a handful of jobs shared cooperatively between the USFS and state agencies, like South Carolina Department of Natural Resources, specifically aimed at building and implementing SC projects. These positions can play a powerful role in bringing about not only better collaboration community wide but also in identifying and helping deliver training to bidders or volunteers interested in assisting with monitoring or assessment. The joint positions are outgrowths of what in most areas is a positive working relationship between state and federal agencies. State game and fish agencies are the most often cited SC partners by managers. A game and fish representative in one state said, “This work is a mirror of what we’ll do on state property and probably other ownerships given the partners: Rocky Mountain Elk Foundation, The Nature Conservancy, and National Park Service. I am excited about the potential as a wildlife biologist. This stewardship contract gave us the option to tap new sources of funding for wildlife habitat management and simultaneously opened new doors for interagency cooperation on work like prescribed burning.”

State forestry organizations tend to be missing in many of the southeastern SC projects most likely due to the small scale ownership of national forest in most southern states and complexity of timing cross-boundary management. A model for engaging state forestry and elevating SC can be found in Georgia. The State Forester facilitated collaborative discussions between multiple landowners to create a matrix of objectives. The 2008 Farm Bill calls for statewide land assessments from a landscape level which will foster greater opportunities for state and federal managers to collaborate on SC and other projects.

In the southeast region a number of perhaps unexplored opportunities have been identified that might result in improving benefits to communities through greater collaboration and better projects. Here are some examples:

- Many states like Tennessee and Mississippi support county level forest associations that branch from state level associations.
- The Tree Farmer program is a good way to engage private landowners and attempt to mirror management across ownerships.
- Natural Resources Conservation Service and Rural Conservation and Development Councils are often overlooked but powerful partners.
- State foresters can be engaged more.
- Coordinator/facilitator positions that are shared between agencies and/or organizations are effective and a good cost-share item.

#### **Regional Team ideas for success:**

- Identify champions within the agency and within a strong partner organization
- Agency and key partners must bring money to the table.
- Actively pursue and manage good public relations.
- Feed participants well and give them a plaque when it’s all done.

A review process with the goal of identifying actions that would improve the use of SC took place this year through the USFS Washington Office. The review is credited to partners like NWTF and RMEF who urged USFS leadership to take a closer look at SC nationally. The major themes found within the review mirror much of what has been suggested by the regional teams in years past.

- Increase training at all levels of the agency to better understand the potential and philosophy of SC.
- Develop a communication effort that provides consistent messages on SC and its potential.
- Reduce barriers that revolve around technical issues, policy direction, and additional legislative authority.
- Accomplish more on-the ground implementation.

**Southeastern Team Members** (\*green highlight indicates presence at the 08 meeting)

Ray	Vaughn	WildLaw
Donnie	Buckland	Quail Unlimited
Jim	Crooks	Caddo/LBJ National Grasslands
Robert	Lee	Desoto National Forest, Mississippi
Eric	Gee	Southern Forest Products Association
Steve	Henson	Southern Appalachian Multiple Use Council
Sarah	Warren	NC State University
Dave	Wilson	National Wild Turkey Federation
Steve	Rickerson	Retired USFS (Tennessee)
Bill	Cunningham	Southern Chapter of Ruffed Grouse Society
Sam	Brocato	Partners of the Cherokee National Forest
Terry	Bowerman	Nolichucky/Unaka Ranger District Cherokee National Forest
Meg	McElveen	South Carolina DNR, Stewardship Liaison
Dewayne	Rambo	Ozark National Forest, Arkansas
Rex	Ennis	USDA Forest Service R8 Stewardship Coordinator
Cindy	Ragland	Talladega National Forest, Alabama
Phil	Araman	FS Southern Research Station, VA Tech
Nisa	Miranda	University of Alabama Center for Economic Development
Mike	Zupko	Southern Group of State Foresters

**Guests**

Anne Kister, District Ranger, Sumter National Forest, Long Cane District  
 Andy Barwick, Forester, Desoto National Forest, Chickashay District  
 Mae Lee Hafer, Contracting Officer, Sumter National Forest  
 Ted Schneck, U.S Forest Service – NWTF Liaison  
 Beth LeMaster, District Ranger, Sumter National Forest  
 Mary Morrison, Sumter National Forest    Mary Younce, Sumter National Forest

**Southwest Stewardship Contracting Report  
 Multiparty Monitoring Team  
 Fiscal Year 2008 Report**

## Introduction

An evaluation of “the role of local communities in the development of stewardship contracts and agreements” is conducted annually to assist the U.S. Forest Service (USFS) and Bureau of Land Management (BLM) assess their progress and report back to Congress. This report synthesizes the findings for 2008 based on survey of a twenty-five percent random sample of all projects and input from the Rocky Mountain/Southwestern Regional Stewardship Contracting Team. The context remains regional problems engaging communities in, successes with, and benefits of stewardship contracting.

The survey sample for 2008 included 25 projects (13 = USFS, 12 = BLM) representing CO, KS, NE, UT, NV, AZ, NM. The regional team meets annually to discuss successes, barriers and benefits to communities. The 2008 meeting was held in Santa Fe, New Mexico with the Santa Fe National Forest hosting the field trip to two stewardship contracting (SC) projects. Faye Krueger, R3 Deputy Regional Forester, participated and provided a brief on the recently developed SC action plan within the USFS.

The SC projects visited involved thinning to reduce bark beetle impacts and wildfire risk. The first stop showcased a complex of four campground improvement projects. The SC work is managed by a company out of Las Vegas, NM, Barella Timber, under a MOU with the Walatowa Woodlands Initiative of the Jemez Pueblo. The Initiative trains and employs members of the Pueblo for woodlands restoration work. The second thinning project is managed by respected, NM contractor and sawmill owner Terry Connley who stepped in to take over the project after the original contractor defaulted. He combines an experienced ground operation with a small mill to remain viable. New Ranger, Linda Riddle, participated in the field trip led by District Forester Andy Vigil and several other District and Forest staff. SC is expected to play an important role in future management on the Santa Fe National Forest according to staff present.

## Overview

It has been ten years since Section 347 of the FY1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act (*P.L. 105-277*) authorized the USFS to implement up to 28 SC pilots. The authorities were envisioned to help the agency combine and increase comprehensive ecosystem treatments as well as increase administrative efficiencies and opportunities for localized contractors. Collaboration and work with partners was also heavily emphasized as key to SC success. The program continued to expand in size following passage of subsequent Interior Appropriation Acts (*P.L. 106-291* and *P.L. 107-63*). By FY 2003, the authorities were extended to 2013, a limit on number of projects was removed, the removal of commercial trees as an objective of forest health prescriptions was formally included, and the authorities were extended to the BLM. From 2003 – 2005 the two agencies awarded a total of 535 SC with the number increasing each year from 38 in fiscal 03 to 172 in 05. As of 2008, there are 376 active SC on USFS and BLM lands combined.

The use of SC and success with the tools has increased over the years but the criticisms and identified issues remain much the same year after year. It is difficult to separate an analysis of SC from the larger historical and political context of public land management. Land management policy and politics along with the state of forest-based industry and markets has changed dramatically over a relatively short period of time. From its inception in 1907 until the 1990s, the USFS was run with the precision and professionalism seen only in organizations with a clear mission; some have called it military like. Their Chief was a career professional having grown up in the agency. Beginning in the 1970s, public questioning of silvicultural practices, especially the clear cut began to arise. In response to harsh criticism, the agency has become more politicized, with decentralized chains of command, and centralized operations like the Finance Center in Albuquerque and timber management zones where the packaging of contracts for several forests happens in one central location. Since the early 1990s the USFS has been “reinvented” numerous times. By 1995, Jim Lyons, Undersecretary of Agriculture proclaimed the USFS no longer a producer of commodities but a provider of recreation. Ecosystem Management was the mantra for a time followed by restoration and in the last decade

fighting fire and insects has dominated. The BLM history is not much different though their mission was always more focused on range and mineral resource management. They too have been thrust into an often unwanted political limelight.

During this period, the volume of national forest timber sold was reduced sharply, especially in the western regions, and the timber industry shrank dramatically. Beginning in the late 1990s, drought conditions became pronounced, leading to dramatic increases in wildfires and insect epidemics, especially in areas where historical, regular management regimes were abandoned over a period from the late 1970s to present. The cost of fighting wildfires escalated leading to a 2007 fire fighting bill of \$1.7 billion, nearly 50 percent of the Forest Service's entire budget.

Since 1999 in response to the combined loss of industry as a tool and increasing forest threats, SC, the National Fire Plan, Healthy Forest Restoration Act, Community Wildfire Protection Planning, new grant programs and a slew of other remedies emerged. Despite all these efforts, the problems remain perhaps because the problems developed over many years and tangible solutions are still hotly debated.

SC is a useful tool for places where government, business and community are serious about a long term commitment to forest health. It works where there is leadership, sincere partners, professional contractors with integrity, and a willingness to combine trees with value into a mix of biomass and small diameter tree removal as well as other service work. The BLM has approached SC in this region on a small scale focusing on building capacity business by business with projects tailored to match the ability of local contractors with woodlands management needs. The woodlands are made up primarily of pinion and juniper. Both species are limited generally to markets for firewood and fence posts and more recently explored for biomass outlets. This approach is having a positive community impact by way of fostering small businesses and the jobs they create. The USFS projects analyzed are either small projects initiated early on to check off a box created for SC or they are part of a larger initiative. The latter are associated with on-going collaborative efforts to affect forest restoration on a larger scale. The USFS projects have contributed to the creation or expansion of niche businesses specializing in handling small diameter wood. Their impact to communities are probably more important in terms of continued social engagement rather than economic, with the exception of the White Mountain Stewardship Project.

There are successes and failures with the tools yet the jury is still out regarding renewal of the authorities. Renewal will depend in large part on the perceptions and ensuing actions of partners, especially those emerging with strength like wildlife advocacy groups National Wild Turkey Federation (NWTf) and Rocky Mountain Elk Foundation (RMEF). To the extent that various forms of environmental advocacy groups perceive SC as useful will most likely determine its fate. Quantifiable community benefits will influence the support of state and local governments.

### **Agency Barriers, Progress, and Strategy**

Both agencies have identified their own challenges including overcoming internal and external resistance to using SC, market uncertainties, and understanding and dealing with ramifications of using long-term multiyear contracts. In terms of contract use, the BLM has leaned toward the service contract with a priority toward small business. The USFS has primarily used the timber sale as a foundation with full and open competition. Upper level management in both agencies sought to launch SC beyond the pilot phase by setting annual targets. This was met with mixed results as might be expected. Depending on the wit and wisdom of local managers and the status of their local industry and partnerships, projects either moved ahead creating good will or stalled out creating frustration.

The agencies also experienced internal conflict and confusion over interpretation of the authorities and how to meld the opposing rules and regulations that govern timber sales versus service contracts. The southwest

has made a valiant effort toward utilizing the SC tools to the fullest extent possible given unfavorable conditions such as a small industry without much integration, predominately low value material, and weak markets. BLM and USFS combined, in the southwestern states, report 85 active SC. The somewhat extensive use of SC is a testament to the tenacity of both BLM and USFS managers as well as key partners in the regions. The USFS has awarded 2 10-year contracts, in Arizona and Southern Oregon, while BLM has awarded 30 10-year contracts: 25 in Oregon, 3 Wyoming, 2 in California. The USFS projects are held by one contractor while BLM uses an umbrella contract within which individual task orders are issued, some times to different contractors. While the agencies different methods of collecting data make it hard to always compare apples to apples here are some statistics on volume in Cubic Feet:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
USFS SC Volume Sold	196,079	471,996	655,072
Percentage of all sold	4%	8%	13%
BLM SC Volume Sold	37,739	26,603	16,680
Percentage of all sold	10%	8%	4%

The regional team meetings are always opportunities to identify problems or barriers and provide constructive criticism for the agencies. Here's a sampling from 2008. The comments are not unlike those made in years past:

- NEPA takes too long to complete and should be considered part of the contract package with agency consultation.
- Areas managed under stewardship contracts are still too small. Larger, watersheds should be analyzed as part of the process and included.
- Collaboration is used inconsistently. Community involvement, contracting with local businesses and developing the capacity of Hispanic and Native American workers is essential.
- Diameter caps prevent ecological or economic progress and are in place artificially as a sort of social license to practice forestry.
- Woody biomass and small diameter trees are still valued too high yet remain costly to remove without markets.
- The contract instruments and associated paper work are still too complex and onerous for the majority of local businesses.
- Understanding of how to best use the stewardship contracting tools is not yet widespread among the agency line officers and managers.
- Greater emphasis should be placed on mechanisms for spreading learning about how to best implement stewardship contracting through training and mentoring.

Despite these admonitions, both agency's have come a very long way both in the understanding and effective use of SC and in collaborating with communities of interest and place. The most common complaints both internal and external revolve around process hurdles or a lack of understanding about the process itself probably because the interpretation of the authorities and contracts are still evolving. Managers don't always communicate the delays and procedures well because they themselves don't understand. In the words of a very engaged partner, "*SC is the answer but it is not happening due to process hurdles for them and us. Contractors should not have to go out and hire a specialist to fill out government forms.*"

Managers usually concede that SC has the potential to be a good thing if they can master the process and if they are provided sound leadership. "*It's just a hard learning process,*" is a sentiment echoed by many public land managers who must wade through the contracting side of SC. Managers that get through one SC report that it gets easier with those that follow. It simply takes practice and experiential learning. Through the years and even currently, managers often share a frustration with their leaders. Line officers are seen as asking for more SC without an understanding of what it takes or how it might fit into the fundamental goals of a District. It is



seen as political and short-term by the field. *“My boss think this is the solution to all problems,”* is a common sentiment.

A discussion about leadership occurs in every annual report because it so clearly stands out as a deciding factor where progress and success prevail. A string of good leaders from the Regional Forester down to the Ranger level in USFS Region 3 is responsible for putting the White Mountain project in place. Community and political support helped. Leadership at the Ranger level is vital. Certainly leadership in staff and Forest Supervisors is important too but good leadership among Rangers or Area Manager is a common theme in successful projects across the country. If positive local leader engagement leads to a successful project, consistent engagement over longer periods of time leads to incredible success. Excessive turnover in these leadership positions close to the ground often negatively impacts SC project stability and success. One of the sample projects has suffered from this syndrome. Despite a group of committed people working together on a watershed level agenda with a SC planned for years, a new Ranger arrived with a new agenda. The Ranger sought out new partners and changed plans without touching base with the old set of partners. This lack of leadership is demonstrated in many stories shared by interviewees and probably results more often than not from ignorance rather than malice yet the results are all the same. Partners are alienated and left fatigued.

The Government Accounting Office (GAO) conducted a five year review of SC this year and the USFS did its own internal review with much input from partners. GAO was overall favorable toward agency use of SC though criticized their data collection methods. BLM did put a data tracking system in place in 2005. The GAO emphasized the need for both agencies to develop strategies to guide their use of long-term multiyear SC in stimulating markets for small-diameter material and to inform decisions about where and when to implement SC for greatest efficiencies and effectiveness. The USFS review resulted in a strategy that may prove a starting point for getting SC on track for reauthorization in 2013. The BLM has worked closely with the USFS regarding SC and will most likely continue to do so. The major themes found within the review mirror much of what has been suggested by the regional teams in years past.

- Increase training at all levels of the agency to better understand the potential and philosophy of SC.
- Develop a communication effort that provides consistent messages on SC and its potential.
- Reduce barriers that revolve around technical issues, policy direction, and additional legislative authority.
- Accomplish more on-the ground implementation.

Training has always been an emphasis for both external and internal advocates. Both BLM and USFS have conducted workshops to help managers, entrepreneurs, researchers and others understand SC. They are urged to continue this work with emphasis on learning from each through mentoring and working across both agencies. Mentoring within contracting is especially important. Team members suggested a traveling workshop led by contracting officers from both acquisitions and timber as well as line officers that combines how to on both collaboration and contracts.

### **The Authorities, Contracts, and Policy Considerations**

There is a long way to go it seems in developing instruments whether it is contracts or agreements that a majority feels comfortable with. Traditional contractors are more comfortable with something that looks like a timber sale contract while non-governmental organizations prefer the flexibility and dollar leveraging offered by agreements. Complexity and interpretation are always highlighted. Contracts that are too complex and/or too rigidly implemented by contracting officers are not good for the cause and they often result in nonlocal businesses getting the work.

Inherently, the flexibility and long-term nature of SC runs counter to agency rules and regulations especially the Federal Acquisition Regulations (FAR). An obscure regulation known as the “cancellation ceiling” has hampered the development of all but two large, long-term SC across the nation. The cancellation regulations require that the government hold in a sort of escrow the funds needed to essentially pay back private

investors should the government default on the contract. It is something of a reversed bond. Therefore, SC have been fairly limited in size, objectives, and terms thereby foregoing opportunities to truly stimulate markets for small-diameter materials and associated businesses. One of the barriers to this beyond cancellation ceilings is the long time horizon for NEPA clearance that often expires before a contract can be awarded and completed. Some offer as solution the idea that NEPA work be bundled into the contracts themselves with approval by the agencies required. In addition, funding the annual service work included in a multiyear contract can cost more than anticipated and thus can consume a substantial portion of a Forest's annual budget, requiring them to curtail other programs to pay for the on-going multiyear contract. The White Mountain project in Arizona illustrates the budgetary burden that can be experienced when markets don't grow to off-set costs. The Region spent \$6 million out of an overall budget of \$14 million in 2007 for the contract costs alone. This figure does not include personnel costs.

The use of retained receipts has always been an important and often confusing topic for managers and partners. Unlike KV which requires a 34% overhead charge that goes back to the treasury, retained receipts are kept locally in full. This is relevant to the role of local communities in terms of community perception of monitoring as well as agency credibility. Many people outside scientific or resource professions use the term monitoring interchangeably with assessments. Often partner groups want to track changes over the course of a project whether it be economic, vegetative, or social which is in sync with the premise behind multi-party monitoring. These assessment activities can help the agency preserve a corporate memory of what has occurred as well as leverage "monitoring" funds while building trust relationships.

In July of 2007 the USFS updated the hand book regarding the appropriate use of retained receipts. The full document can be viewed at [http://www.fs.fed.us/im/directives/fsh/2409.19/id\\_2409.19-2007-2.doc](http://www.fs.fed.us/im/directives/fsh/2409.19/id_2409.19-2007-2.doc) Here is an excerpt:

*Retained receipts shall not be used for Forest Service salary, overhead, administrative, or indirect costs. Retained receipts may be used for NEPA environmental analysis contracts/agreements and project preparation contracts/agreements. Generally, use of retained receipts for these purposes shall be limited to meeting program objectives when appropriated funds are insufficient. Items to be monitored and monitoring protocols, as agreed upon within the collaborative group and recommended to the line officer, may be funded with retained receipts, appropriate funds, grants, volunteers, contributions from organizations, and so forth. Forest supervisors shall approve monitoring activities and determine the appropriate levels of use of retained receipts and appropriated funds in support of project level multi-party monitoring. Regional foresters shall approve the use of retained receipts for project level monitoring*

### **Collaboration, Partners, and Monitoring**

The southwest has become paragon in partner organizations that channel funds to on-the-ground work and a tradition of good agency-community collaboration. For example the Four Corners Sustainable Forests Partnership with spin-offs including the Colorado Wood Utilization and Marketing Program and the Southwest Sustainable Forest Partnership, the Southern Utah Stewardship Center, the New Mexico Collaborative Forest Restoration Program, The Greater Flagstaff Forest Partnership, the New Mexico Forestry Association, Colorado Timber Industry Association, Catron County Citizens Alliance, the White Mountain Forest Industry Association, the Northern Arizona Forest Partnership, Restoration Institute at Highlands University in NM and at Colorado State University, Ecological Restoration Institute, White Mountain Stewardship Monitoring Group, Colorado Front Range Forest Partnership, etc. A number of groups like the Catron County Citizen's Alliance, Southern Utah Stewardship Center and the Southwest Partnership came about to help integrate the interests of businesses and communities into agency planning and process. Collectively the work of these groups ranges from training, technical assistance, grant writing, financial assistance, monitoring protocols, research, extension type services, and mapping. Possible roles and overall capacity for these joint public-private approaches to forest management are expanding all the time.

One limiting factor cited by veteran collaborators includes the potential for burn-out when projects take too long since those that engage and really move partnerships along are almost always the “*same ten people*.” Long time lags between envisioning a project and implementation give the impression that “*no one is in charge*.” This is the greatest barrier to public participation on a meaningful scale. A state partner involved for many years with the USFS said this of a larger project in the making for years now, “*We have been in a believe it when we see it place over the last couple of years. My concern is that all the USFS has really done is replaced planned projects with Stewardship Contracting areas. They are not increasing treatments to reduce wildfire or curtail insects and I find that regrettable.*” All collaborative efforts wax and wane naturally but it is hard to get new people involved or the old ones reengaged once a project has a history of stalling. People expect to provide input and then see the agreed upon objectives on the ground within a couple years at most. Interviewees and team members suggest the importance of being upfront with partners about the real barriers. “*Don’t be afraid to communicate the truth, even if it is complex,*” said one disillusioned long-term participant. Looking from the manager’s side some have indicated that at least a portion of the blame might rest with the mix of partners and their combined capacity or intention of partners. Debate within a community of partners both local and external can confound managers. When diligent work with a representative collaborative still ends in appeals and even litigation over proposed projects, managers as well as community partners are left frustrated. Lengthy project development phases elevate the need for partner or monitoring groups to have money to pay stipends for travel, meeting space, etc.

Two somewhat new players, the NWTF and RMEF, at the table are pushing the envelope with both agencies and even helped prompt the USFS review. These groups want regional umbrella agreements or Memorandum’s of Understanding that would include annual operating plans from which projects originate contributing to a big picture set of goals. Both Region 1 and Region 6 of the USFS have these in place. Through the agreements, these partners and potentially groups like The Nature Conservancy can reach private landowners, leverage dollars, and even foster entrepreneurship in ways the agencies can not. Some even think these blanket agreements could help solve the cancellation ceiling issues. Agency leadership, with prompting from NWTF and RMEF, are asking field units to start their planning with SC agreements in mind with the intent of using the authorities to the maximum extent possible.

Community Wildfire Protection Planning (CWPP) is a great pathway for upfront collaboration when used effectively. Where state forestry and federal foresters work in tandem, the CWPP reaps great community involvement benefits and the ability to pick the right implementation tool. “*We keep writing CWPPs and tying them into treatments using stewardship contracting. It works great and the public loves it,*” said one state level manager. Another private partner said, “*We have developed a CWPP with a lot of people. It’s fabulous and is now a model in our state.*” Communication between state and federal agencies and consulting the CWPP products along the way is important too. One state interviewee complained that the agency designed treatments without looking at the CWPP maps for priorities.

When populations are small and scattered it is harder to develop a CWPP or any form of collaboration. Those living in the more remote areas of the region feel are disadvantaged when it comes to bidding on, informing, and even implementing stewardship work. This is actually significant territory in New Mexico, Utah and Nevada. One said, “*They fail to account for the local’s needs because we are far from the main office.*” Another said, “*Our numbers are small out here but we are still important.*” Yet remoteness can breed experimentation. In some of the most remote areas SC has enabled willing managers and landowners to cooperate across boundaries to get the sort of work done that impacts land and community health. A rancher/stewardship contractor said this of an on-going project, “*It’s all the same land and as representatives we must work together or else it will become worthless unproductive land.*” The key according to this man was that “*we both did what we said we were gonna do and the outcome was good for all including the land.*”

What’s good for the land and rural communities has always been the underpinning of SC and the community forestry movement that promotes it. How we define the pathway to the “good” and what we pay along the

way as a society have always been fundamental dividers of opinion and philosophy. The differences in opinion seem to be heightening as the years go by instead of melding. The subsidization of low value material removal is case in point. Many feel too much is being paid to simply do the work and that without market value for the small material there simply won't be enough federal money to pay for it. This camp believes that including higher value wood into treatments is a legitimate way to off-set costs without forfeiting healthy forest goals. Others feel continued subsidization of forest work is reasonable and enables communities to develop skilled labor and jobs.

The inclusion of diameter limits in forest management prescriptions plays a big role in the subsidization equation. Diameter limits are still very common in the southwest and in some projects are as small as 12 inches in diameter. The notion of diameter limits and what they achieve was described as *"needed social license to treat the land."* Most members of the team present seemed to concur that the diameter limits are artificial and actually prevent the desired ecological or economic outcomes, which has been affirmed by many reputable scientists for nearly 20 years. *"It's so about trust and science," a participant emphasized. "It's about getting restoration done whatever the cost,"* said another.

If diameter limits are a precondition of forest management, SC will never be an effective tool. If removing timber of value in trade for service work is socially not palatable then the agencies would be more cost and personnel effective if they utilized straight service contracts or their own workforce. As one manager commented, *"Stewardship contracting is not just a tool. It is not comparable to the timber sale. There is so much up front planning and process. It must be a longer term proposition with multiple benefits."*

Monitoring and assessments are annual discussion points within SC. People often use the terms monitoring and assessment interchangeably. The collection of economic, social and ecological data is something all agree is important. It helps build trust; it educates and creates a historical record. The debate arises over determinations of when there is enough data and whether or not it is credible. Despite in depth research on the impacts of treatments to forests including fire and the most advanced reconstruction of pre-settlement forests in the region by highly credible scientists, each group tends to want its own monitoring and assessment. It was suggested by a team participant that appropriate data needs and protocols are best identified through Forest Plans to prevent rebuilding trust each time a new person comes on staff with one of the regional environmental groups or other partner organizations.

### **Contractors and Business**

The businesses that bid on and manage SC are elemental to achieving the land goals and represent a part of the economic and social side of local communities. The region has continued to lose businesses that harvest wood and make a traditional product like lumber. Service contract entrepreneurs have grown. These are businesses that approach bidding based on the cost of work involved without much product off-set beyond firewood and fence posts which are limited markets that saturate quickly. This fits with the trend described above where emphasis continues to be placed on the smallest of trees for removal while even markets for larger trees are at all time lows due to national and global trends. In most of the SC in the region, the value of the wood is a mere fraction of the other costs associated with the service side. Foresters are often flummoxed over how to set base rates for wood they know has no market. The BLM in some places has charged 1 cent per CCF for woodland products. Yet, businesses find little relief by being given the material for free when they still must in effect dispose of the material rather than sell it.

Those working in the field recognize a need to evaluate the right tool on a case by case basis and mostly agree that SC should become a permanent set of authorities but never used in a cookie cutter fashion. In the words of one manager, *"My roads are bad and my timber is low value. It is not a good place for a stewardship contract."* Most recognize that SC works where value can be included into the project in order to off-set the cost of services. The problems have arisen where managers tried to sell overly complex contracts to a small in size and scope

bidder pool. This results in the common refrain heard by contractors that the SC includes too much low value material matched with too much service work. The results are no bids, high bids, or businesses going broke. Another issue is the need for consistency over time. Projects must either be big enough or regular enough to create predictability. It takes time to find markets and recover when they shift. In the words of a contractor, *"We need a steady flow regardless of size."* Most contractors must first scale a steep learning curve regarding the bidding process and in some pockets consultants have been hired to actually write proposals for operators.

Failing markets are compounded by a growing forest health crisis in much of the region. In Colorado, 1.5 million acres of standing dead lodgepole pine has really only one sizeable sawmill outlet. The ability to manage just the dying wood hinges on a complex and tenuous economic model. SC is designed in part to provide predictable access to wood for a "steward," yet when the material is dead time is of the essence. Industry watchers urge the agencies to carefully assess all the tools, given the economic and ecological conditions.

Common contractor comments follow:

- There will always be a direct correlation between bid and wood value.
- Consistency in offer regardless of size is imperative.
- Long-term contracts enable businesses to capitalize equipment needed to stay competitive.
- Measure the complexity of contracts against the bidder pool. Most businesses are not equipped to sub-contract out a great deal of work.
- Keep the evaluation and award timeframe reasonable.
- Make bidder selection criteria transparent.
- Use common sense in allowable operating seasons knowing that it costs money each time equipment is moved.
- Host bidder workshops and show me trips in conjunction with partner organizations or community groups.

The Santa Fe National Forest is currently seeking to build a consistent program using SC. The hope is that a predictable flow of product will encourage market development. Northern New Mexico lost its primary mill in 2003. The Rio Grande mill had previously bid on almost every contract thus reducing available work for smaller operators. There has been talk of pellets in Espanola, NM but no strong move in that direction yet. The projects visited have moved forward due to the strength of two businesses able to manage small mills and woods operations. As a prelude to SC on the Santa Fe NF, four previous thinning projects were put out originally as service contracts with embedded timber sales. The operator bid \$500 per acre for service and standard rates for the small amount of timber but made no money. They later increased their bid to \$750 but still lost money and eventually defaulted. A long time contractor and small mill owner took over the defaulted project.

Talk of biomass to run chip boilers, generate electricity and feed pellet plants has been popular for nearly ten years in the southwest but not a lot has materialized yet due to high entry costs, lack of predictable supply and a failure of the public or private sectors to embrace the new technology for boilers or cogeneration. Members of the team this year reported signs of an "emerging biomass economy" but that it will need access to supply and cost effectiveness. Adding value "close to the stump" has always been part of the equation. Discussion in the field went to talk of a new piece of portable biofuel equipment but it was quickly discounted as unviable due to potential hazards and EPA restraints. This seems to highlight one of the reasons why new technology has not taken off: no one wants to take the financial, environmental, or social risks. Many of the SC in the region have an emphasis on biomass and developing biomass markets. Developing a consistent supply to match local need is tricky but imperative to adaptation to the technology. One of the 2008 projects involves a newly installed chip boiler in a school. The school board went out on a

limb financially to place the technology with the help of a grant but now can't locate a reliable source of chips. In his words, *"We need to secure a continual fuel supply. We can't just call up and have them delivered nor do we have a place to store long term supplies. We are not sure how to keep this boiler up and running now."*

These situations are opportunities to create success stories but they must have a champion that cares about the outcomes ranging from a pipeline of projects that will supply chips to fostering a delivery system and ensuring technical assistance is available to the school. This is a place where the government can play a proactive role up front and then when the success is in place the story will tell itself and others will take the risk.

### **Southwest Regional Team**

Sam	Burns	Office of Community Services Fort Lewis College
Anne	Bradley	The Nature Conservancy
Tony	Cheng	CO State Dept. Forests, Rangeland, and Watershed
Al	Christophersen	Rocky Mountain Elk Foundation
Garry	Domis	Dixie National Forest
Dennis	Dwyer	R3 USFS Stewardship Coordinator
Naomi	Engleman	New Mexico Forestry Association
Bob	Garcia	R2 USFS Stewardship Coordinator
Dawn	Gardner	CO Wood Utilization and Marketing Program
Jody	Gale	Utah State Extension Service
Dave	Hessell	CO State Forest Service
Kim	Kostelnik	Southwest Forestry Partnership
Jim	Matson	Utah Forest Products Association
		White Mountain Industry Assn.
Molly	Pitts	
Ken	Smith	New Mexico Forest and Watershed Restoration
Rocky	Smith	Institute
		Colorado Wild
Lif	Strand	Catron County Citizens Alliance
Tom	Troxel	Colorado Timber Assn./IFA
Scott	Truman	Utah Stewardship Center
Dick	Watson	BLM Colorado

**Guests:** Brian Kittle, Pinchot Institute; Linda Riddle, Santa Fe National Forest; Bill Griggs, Santa Fe National Forest; David Lawrence, Region 3; Andy Vigil, Santa Fe National Forest; Faye Krueger, Region 3; Jim Bowmer, Bureau of Land Management Washington Office.

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## **Pacific West Regional Stewardship Contracting Report Multiparty Monitoring Team Fiscal Year 2008 Report**

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## Objectives:

- Review and discuss findings from regional monitoring surveys
- Identify key elements contributing to success and failure in stewardship contracting
- Develop strategies for overcoming key challenges and reinforcing successes

## Attendees:

USFS personnel – 3  
BLM personnel – 1  
Stewardship Contractors – 2  
Community Organizations – 1  
Conservation Organizations – 1  
University Research – 1  
Regional Technical Assistance/Training and Convening –1  
Total Regional Team – 10

## Process:

- Team members were given background information on the monitoring purpose and protocol.
- Team members were asked to share stories of projects highlighting success in community involvement and community benefit.
- Elements leading to success were identified and recorded.
- WRTC staff reported on regional findings.
- Team discussed findings noting elements that seemed to lead to success as well as challenges.
- Individual team members share stories again, this time focusing on where they experienced challenges to community involvement and community benefit.
- Group identified the underlying causes of challenges
- Strategies for reinforcing successful community involvement and community benefit were developed.
- Strategies for overcoming challenges were discussed.
- Recommendations and next steps suggested.

## Summary

The survey data collected in the Pacific West guided the regional team meeting discussion. Team members identified common challenges and successes from the data collected in the interview process as well as their personal experiences. The elements identified are key to the successes and challenges of collaboration and community benefit in stewardship projects. In addition to the key elements, the team identified some tools and strategic activities that need to be developed and put into action.

## 1) REPORT OF FINDINGS AND RECOMMENDATIONS OF THE PACIFIC WEST REGIONAL TEAM

### Key Elements of Success

## Resources

- *R-6 stewardship contracting users guide.* The group recommends that this guide be utilized to create an online searchable document, functioning similarly to a google search bar, so that people can easily find answers to specific questions.
- *Lots of agreement.* If collaborative efforts start by identifying where the group agrees it will help to build a spirit of collaboration between group members.
- *Willingness to take risks.* Risk should be shared by the contactors and agency.
- *Trust.* Build trust among collaborative partners by organizing field tours, establishing understandings about how your collaborative process will work, and maintaining transparency in decision making.

- *Skilled facilitation of collaborative process.* Having a facilitator who is skilled, preferably neutral, and committed to seeing the process through is a critical asset. It will build trust between group members; get business done in a more effective and efficient manner, and will help manage conflict in a productive way.
- *Pacific west has adaptive, open-minded contractors.* Agency team members identified contractors in our region as a great asset to positive outcomes in projects. In many instances contractors were able to use innovative methods to get the work done.
- *Stewardship key to biomass utilization*

## Timing

- *Political support early.* Having support from county/city officials early on makes the process easier and often helps get some of the “right people” to the table for collaborating.
- *Success early in the process*
  - When a collaborative group is able to achieve a success early on in their work together it helps to motivate and inspire their continued work. If you start by doing something small and doable with the group you are likely to have success and can then build on that shared positive experience for the life of the collaborative group.
- *Early collaboration harnessing local knowledge.* Being sure to get the local people involved in the collaboration as soon as possible will help ensure that local knowledge is taken into account in the planning process. A collaboration tool kit which includes ideas of different ways to engage people, and when to bring them into the collaboration would be a useful tool to develop.
- *Long term collaboration prior to the stewardship project.* When a group has collaborated on other projects many of the issues with initial collaboration are already ironed out, relationships are built and understandings have been reached on people’s ideological stances. Try plugging into existing groups when it makes sense to do that.
- *Know when to say when with collaborations.* When there is no common ground and members of the collaboration are not willing to compromise toward any outcome, it is important to know when to stop trying to collaborate with that particular group. It will only frustrate members to be in a group that will never be able to reach any agreement. See other suggestions in this document for ideas on how to make agreements up front that will tell the group whether or not there is “room” to collaborate.

## Method

- *Capture learning during projects.* Be adaptive throughout the collaboration process. Make your project a model for others. The activity of thinking about what you learned is very useful. There are existing tools for effectively thinking through your process and determining how to alter your actions next time.
- *Flexible collaboration design.* There are lots of successful models of collaboration including project level collaborative groups and long-term stewardship collaborative groups that review all proposed projects in their area. Think through the type of collaborative group you are trying to form (how will this model serve your project better than another?) and make sure all of the partners understand your intentions.
- *Understand risks and explore ways to share risk in contracts.* Make sure all partners understand the risks in the contract and that the risk is shared. There are ways to write the contracts to that they are not fixed price. Mary-Ann Klinger of the USFS has developed a presentation that describes different contracting options to help share the risk. If these methods are used we anticipate that contractors will be more likely to bid.



- *Fixed price does not work well for long-term contracts.* See Risk section above. One risk of this is having contractors go out of business due to unfavorable markets. Once you’ve lost your skilled local workforce, it is difficult to rebuild.
- *Start small and build toward larger successes.* Starting small will likely lead to early successes which will help the collaborative process. Growing capacity within your collaborative group also allows for expansion of partners. With smaller successes to bring to the table your group may be able to attract other parties for larger scale projects.
- *Grow partners and geographic range.* Keep reaching out to stakeholders throughout the process. Share your learning with others in the region.
- *Collaboration with benchmarks that move toward something goal oriented.* Setting benchmarks as a group at the beginning of the process will help keep the collaboration moving toward agreeable goals.
- *Willingness to compromise is key to successful collaboration.* Have all member of the collaboration understand that compromise will be an important part of reaching agreement. Try to get commitment from members that they will be open-minded about compromise.
- *Adopt guiding principles and mission statements, mou’s, and by-laws to guide the collaborative group.* By creating these understandings and documents as a group, you will make “space” for your group to work together. Examples of the documents mentioned should be made available.
- *Set timelines and sideboards for collaboration.* In addition to the documents and agreements discussed above, setting timelines for the collaboration will allow people to commit themselves to the process. It is hard to commit to an indefinite process.
- *On-sight field tours with collaborative group.* There are many benefits to collaborative group field tours: seeing the ground being discussed makes talking about things clearer because it takes the discussion out of theory and into reality (you can point to the kind of tree you mean and there is less chance for misunderstanding due to confusion over terminology). Going out together strengthens the group’s sense of purpose. When contractors are involved in tours they are able to describe in an illustrative manner the innovative processes they hope to use.
- *Recognize that contractors are generally outcome oriented as opposed to process oriented.* Understanding the ways in which different members of your collaboration are used to working is very useful. Not just for contractors but for all members (i.e. USFS personnel may be used to a hierarchical system so a collaborative group process may be difficult at first.) By understanding where everyone is coming from you can work to make the process make sense to everyone.
- *Streamline collaboration process to gather critical contractor input.* Timing of when to bring in contractors is important. If you can make a streamlined process for their involvement you can gather input on project design that will lead to projects that are more feasible, and that contractors will bid on.
- *Use monitoring and adaptive management.* Don’t forget to learn from what you are doing by checking on your outcomes and adapting your plan to existing conditions and learning.
- *Develop principles and a long-term plan for using stewardship at the forest, regional, and national levels.* A long term plan for using stewardship on these levels will help guide what work is proposed.
- *1<sup>st</sup> cut of collaboration can take a lot of time but can lead to systemic success.* Putting the time into creating a group and building relationships is an investment that interviewees continue to report is worth it in the long run.
- *Celebrate the successes on the ground.* Do not forget to celebrate the projects with your partners. Be sure to keep everyone informed about what is happening. Thank everyone for their work and give credit where it is due.

### **Critical Partners**

- *Fire Safe Councils (has worked well in the Eldorado).* Plugging into networks like this that have a shared interest is a great way to grow collaboration fast.

- *Political support.* Having political support will get your project connected and moving.
- *Watershed Councils.* These networks are good places to look for partners with shared interests as well.
- *Line officer involvement key (minimum support required = District Ranger).* Assess the support of the partners involved and increase support where necessary by listening, explaining/showing, and compromising if necessary.
- *Continuity in facilitation and group members is helpful.* Do not exclude new group members, but try to get commitment from partners to participate so that relationships can grow over time. A facilitator who has all of the background will be better able to facilitate.
- *Early contractor involvement leads to better projects and contract design.* If you are collaborating in the project design stage, invite contractors to be part of the group. They will be able to offer technical advice to the project and innovative methods for getting the work done.
- *Collaborative stewardship groups that are long-term.* This model of collaboration has been able to work well in some areas. Be careful not to assume that this is the ideal model for your project however, explore other models and think about what will best suit your project/partners.
- *Collaborative group has relationship with contractor: builds trust, common knowledge, and understanding.* Bringing in contractors early can help build this relationship, but if you don't bring them into that stage, you can have a field tour with the contractor so that members can see the progress of the project.
- *Continuity in agency personnel is helpful*

### **Key Challenges:**

#### ***Resources***

- *Survey can't measure actual local community benefit metric: contractor local how many jobs, timber purchaser local, how much volume.* Useful information like how many local jobs are created by these projects should be gathered.
- *Stewardship does not put money back into coffers (BD, KV).* Reform of the way the budgets work or how stewardship contracting interfaces with agency budgets?
- *Afraid to over-achieve on unit cost for fear of losing budget.* Departments like wildlife are hesitant to show stewardship contract acres treated for fear of losing current budget dollars allocated to their projects. Understanding around this issue should be built.
- *Contractor guidance.* Tools to help contractors bid on these kinds of contracts should be developed. Sample forms and examples of other projects in an introduction packet would be helpful.
- *Contractors have a significant investment in operator training.* Recognizing that there is a significant investment in this kind of contracting and being willing to make long term agreements that will allow contractors to make those investments will help.
- *Funding for outreach.* If funding could be set aside for the outreach and collaborative process, in many cases this would lead to better collaboration. More diverse stakeholders and professional facilitation are possible outcomes.
- *Can we reward people by giving them credit for collaborating well?* USFS is giving out stewardship champion of the year awards to a forest, an agency person and a community group/volunteer. Many interviewees stated that they felt that they were not rewarded for their extra efforts. This and other "reward" programs might help mitigate that feeling.
- *Covering the basic costs of long-term volunteers.* In order to ensure that your collaboration does not become completely "professionalized" and that you recognize the efforts of members, it would be good to cover their costs to attend meetings.

### ***Timing***

- *Don't offer stewardship contracts in the fourth quarter (4th quarter sales are due to the planning the process timing). This timing is difficult for industry/ contractors. It is this way because of the planning process. Perhaps that could be changed.*
- *Life of NEPA can challenge POW consistency – especially given annual appropriations*

## **Method**

- *Market poor –high risk considerations: be careful trying to re-package in bad market.* We need strategic long term plans so that we are not just reacting to current market conditions.
- *Balance accepting low timber payments to get work done without the goods for services or retained receipts value.* A clear set of criteria need to be made to help determine when a project should be a stewardship contract or timber sale.
- *Collaboration takes lots of time and effort.* We have suggested some tools that might make it easier. It will always take time and effort. Acknowledgement of this is important.
- *Consider multiple contracts of multiple sizes and complexities.* Offering projects of different kinds will help build and keep in business the kinds of contractors needed for this work.
- *Talk to contractors about WHY they didn't submit proposals.* Gather information from “failed” projects and projects that have no bids to find out what kinds of barriers there were in those projects.
- *Know your market, do market research.* Understand the partners and understand the ways in which the contractors might be able to use the “goods” they take off the land. This will help in designing effective contracts.
- *Work on appraisal process in stewardship contracting process*
- *Lack of continuity in program.* Work toward consistently good ways of using this process.
- *The discrepancy between what a collaborative group may define stewardship as and what the agency allows can cause an ideological battle.* Acknowledge this and work on clarifying before you are too far into the process.
- *Start by identifying treatments and goals for the land, then think about ways those treatments could be paid for with material (trees)*
- *Global warming—taking into account the environmental factors that will be in present in the future....what should we restore to?* Groups may or may not be ready to think about stewardship projects in this context, it may be important to consider depending on your group.
- *Landscape vs. community level...landscape and economic benefit are in tension with landscape and streamlined process* Weigh the benefits and find an appropriate balance between complex local involvement and larger scale process with fewer partners.

## **Critical Partners**

- *County payments and stewardship*  
This issue needs to be further discussed with county officials and recommendations need to be made on how to deal with some counties not supporting stewardship contracting due to their desire to maximize county payments.
- *Support from Forest Supervisor level is lacking*  
Work from the ground up and the top down to make sure the “middle” is supportive the stewardship contracting.
- *Timber industry roles in stewardship: Collaborators? Supportive?*  
We need to find out more about how the timber industry views stewardship contracting.
- *Building internal agency support for line officers for collaboration and stewardship*
- *Agency needs to build capacity and support*
- *As collaborations grow they are “professionalized” and the local folks may get left out*  
Try to compensate long term volunteers by covering basic costs. Evaluate your group and see if you need to add members from other stakeholder groups.

- *Be sure that the right people are invited to the table*  
Make sure to understand where you are working and who might have a stake in that area. Leaving out an important partner could spell trouble for your project down the line.

## **Work toward developing:**

### ***Tools***

- National level needs to produce a data-based user guide
- Socio-economic data: require that contractors supply the info about where they're based, how many jobs etc. make this mandatory, make a very simple template that the partners use to collect that information
- A decision tree that helps you think about if a project should be a stewardship contract or another kind of contract could be developed
- A decision tree that helps you understand the options in *writing* the contracts would be very useful
- Record and investigate the methods of collaboration and offer them as options
- Articulate the long term plan for stewardship in the forest—knowing this will help design the contracts appropriately
- Training on contacting mechanisms and on how to collaborate is needed for line-officers and other forest personnel

### ***Activities***

- Inter-forest, inter-region sharing of success and challenges. There has never been a national information sharing meeting. Collaboration between BLM and USFS to share would be helpful
- Service First is the node in the network between USFS and BLM. Getting people who had a bad experience or have a negative opinion to change their minds and make them feel at least neutrally

### ***How can we solve the cultural divide between the service and timber contracting?***

- Make sure that new people who are coming into the national administration or into agency positions are made aware of stewardship contracting.
- Make a really good presentation of the value of stewardship contracting to the new administration.
- Protect existing infrastructure and identify markets—be sure you have these so that you can use stewardship contracting to get material to the markets.
- Understanding infrastructure and capacity is critical to starting the contracting.

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<sup>i</sup> Photo Credit: Jemez Ranger District, Santa Fe National Forest, Brian A. Kittler, Pinchot Institute for Conservation