



Forest  
Service

Washington  
Office

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**Route To:**

**Subject:** Preparing Projects for Contracts, Grants, or Agreements Funded by the Recovery Act

**To:** Regional Foresters, Station Directors, Area Director, IITF Director, Deputy Chiefs and WO Directors

The American Recovery and Reinvestment Act of 2009 (ARRA), contains \$1.15 billion for the Forest Service to expend on hazardous fuel reduction, biomass production, and capital improvement and maintenance by September 30, 2010. The majority of this funding is expected to be expended through the award of contracts, grants, and agreements to create jobs and stimulate the economy while accomplishing high priority work on our national forests and grasslands.

The Forest Service is in a unique position to focus our spending in communities near public lands which are unlikely to receive funding from other agencies. Many of these communities have high poverty rates and chronically high unemployment rates. The closure of just one or two businesses in these areas can spike local unemployment rates.

I encourage you to be innovative in your approach to project design and layout, project packaging, solicitation methods, and awarding of grants and agreements in order to maximize economic benefit for the hardest hit communities. Attached is some specific guidance that should facilitate these efforts.

If you have any questions concerning the attached, please do not hesitate to call me.

*/s/ Ronald E. Hooper*  
RONALD E. HOOPER  
Director, Acquisition Management

cc: Ronald Hooper  
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## **STEWARDSHIP CONTRACTS AND AGREEMENTS**

Stewardship contracting is one of the best tools that the Forest Service has available to create jobs and business benefits in communities near public lands. Many existing stewardship contracts are not being implemented this year because of the market downturn. Sometimes the downturn occurred after the contract was awarded while in other cases the original solicitation received no bids.

- Restructure Integrated Resource Timber Contracts (IRTCs) that received no bids into Integrated Resource Service Contracts (IRSCs) by adding ARRA funds to make them more desirable to potential offers.
- Explore the avenues to re-open negotiations on stalled or extended contracts and adjust the cost of the service by supplementing it with ARRA funds.
- Enter into longer-term stewardship contracts using Economic Recovery funds for initial funding of these contracts.

## **BEST VALUE CRITERIA**

Because the purpose of these funds is to create economic benefit, in planning, packaging, and offering contracts, grants, and agreements for projects implemented under this Act, you should consider how maximum employment opportunities in rural areas can be achieved through those projects. This is similar to the best value language that we have been using for National Fire Plan, watershed restoration, and stewardship contracts. In implementing projects, you should select a source for performance of a contract, grant, or agreement on a best value basis, and should consider the following evaluative factors:

- (1) The ability of the offeror to benefit local economies through the retention, expansion, or creation of employment or training opportunities.
- (2) The ability of the offeror to ensure that wood and other by-products are processed locally to the maximum extent feasible and contribute to the development of biomass energy, integrated utilization, and/or value-added products for an existing market or emerging market.
- (3) Ability of the offeror to meet project ecological objectives with appropriate attention to the sensitivity of the resources being treated.
- (4) Past performance including, but not limited to, consideration of past employment and hiring practices, including any instances of wage, safety, or other violations.

To ensure price factors are considered but do not override non-price factors, ensure that non-price factors are weighted heavily enough to ensure that they will receive significant consideration in selecting contractors.

## **ADDING FUNDS TO EXISTING GRANTS**

- You may add ARRA funds to existing grants that were originally funded from different sources by adding language that says that new funding comes from ARRA and adding the appropriate accountability and reporting requirements.
- Grants that use ARRA funds to not require matching funds.

## **AGREEMENTS**

- There are no matching requirements for activities made available through existing agreements associated with work on state and private lands.
- Units may waive in whole or in part the matching requirements for new agreements and amendments using economic recovery funds, especially when the funds will be spent in high unemployment/high poverty areas for work on public lands.
- Because agreements are negotiated instruments, you may use ARRA funds to change the scale, geography, and add additional work through amendments.

## **SERVICE CONTRACTS AND AGREEMENTS FOR PLANNING**

- Service contracts and agreements can be used to create jobs conducting planning/NEPA analysis.

## **LARGE AND INDEFINITE DELIVERY/INDEFINITE QUANTITY CONTRACTS**

By funding existing Indefinite Duration Indefinite Quantity (IDIQ) contracts with additional economic recovery dollars, the agency may inadvertently displace the local workforce with the mobile workforce.

- In issuing a task order under an existing IDIQ contract, require the contractor to show local employment and/or local training opportunities to be created.
- When offering new contracts, appropriately package work for the local workforce and contracting capacity.

## **WORKER TRAINING**

- Units should balance investments in workforce training and investments in projects that will retain jobs of current workers.

## **WORKER PROTECTION**

- Worker protections are not to be compromised in the process of working to expediently implement activities under ARRA.
- Please continue to ensure that contract provisions regarding migrant and seasonal labor continue to be included in all appropriate contracting, including reforestation, and manual thinning and fuels reduction activities. (See 1/4/05 directive regarding service contract provisions).

- All staff should immediately report any suspected safety or wage violations to their local DOL office and document them in the contractor data base.

### **CONTRACTOR CAPACITY**

- Many logging contractors without work have never been service contractors. They do not know how to register and bid within the existing system. Supervisor's Offices should be prepared to work with entities such as local Economic Development Administration offices, Small Business Development Centers, Resource Conservation and Development Districts, and Job training centers and other non-profit entities familiar with Forest Service contracting procedures to train their staff to assist contractors in DUNS, CCR, and HUB Zone registration and the use of FEDBIZOPS.gov in bidding.
- Some Forest Service contracts require expensive equipment that can only be purchased if there is work over the 5-year financing period. The Forest Service should be available to work with the Small Business Administration and other economic development agencies.