

Best Value Contracting Issue Paper

Best value contracting is a mechanism that the Forest Service, the Bureau of Land Management, and other federal land management agencies can use to effectively implement projects with multiple objectives. It allows the federal government to acquire goods and services from the businesses that offer the best value to the government, not simply the lowest price. The federal land management agencies may use best value when purchasing goods and services and must use it when awarding stewardship contracts.

We believe that innovative use of best value contracting can help the federal land management agencies ensure excellent value for the federal government and American taxpayers. Best value contracting cannot replace collaborative planning, adequate funding, or enforcement of labor laws. It is not a panacea. Rather, it supports these efforts because effective best value contracting can reward contractors who perform high quality work, build and retain a trained workforce, create local community benefits, and utilize the by-products of forest restoration. It can create a bridge between collaboration and implementation, enabling contractors to propose innovative approaches to achieving complex ecological goals, encouraging local economic development, and building trust by ensuring that projects are implemented as the federal land management agencies and their collaborators intended. It can help build and sustain the business and workforce capacity that the federal government needs to successfully manage national forests and other public lands.

MECHANICS OF BEST VALUE CONTRACTING

By and large, the Federal Acquisition Regulations (FAR) govern the process of developing and executing best value contracts. When the Forest Service, Bureau of Land Management or other federal agencies develop a solicitation for a service or stewardship contract, they create criteria by which the offers will be evaluated and assign a relative weighting to those criteria.

CHALLENGES

1. The Forest Service and the BLM inconsistently consider local benefit when awarding land management contracts.
2. The Forest Service and BLM's use of best value is uneven; at times the agencies place too much emphasis on obtaining services at the lowest possible cost.

SOLUTIONS

1. Provide guidance to agency field offices to consider local benefit for a wide variety of work activities in both the stewardship and service environments.
2. Increase full use of best value authorities by developing project-specific evaluation criteria, weighting non-price factors heavily, and convening teams to evaluate offers.
3. Regularly evaluate the ways in which best value contracting is used in both stewardship and service contracting.

The FAR allow the Forest Service and the BLM to develop evaluation criteria appropriate to the goals of the project. Evaluation criteria frequently include past performance, skills and experience, qualifications of contractor personnel, and technical approach. Evaluation criteria could also include benefit to the local community and/or utilization of by-products. The agencies may develop detailed explanations that describe exactly what they would like to see in proposals. The agencies then decide how the criteria will be weighted, typically by describing the relative importance of price and non-price factors. Non-governmental partners can participate in developing criteria and weighting.

There are several processes that the Forest Service and the BLM can use to evaluate proposals. In all cases, the agencies evaluate offers based on the criteria and weighting provided in the solicitation. For example, in one approach, the contracting officer can convene a team that evaluates technical proposals. This team can include both agency and non-agency personnel. Once the technical proposal evaluation is complete, the team considers

WHO WE ARE

The Rural Voices for Conservation Coalition is comprised of western rural and local, regional, and national organizations that have joined together to promote balanced conservation-based approaches to the ecological and economic problems facing the West. We are committed to finding and promoting solutions through collaborative, place-based work that recognizes the inextricable link between the long-term health of the land and well being of rural communities. We come from California, Oregon, Washington, Idaho, New Mexico, Montana, Arizona and Colorado

the price and technical proposals together. The team considers tradeoffs between price and other factors and recommends a contractor to the contracting officer. The contracting officer makes the final decision about who is to be awarded the contract. In a second approach, the agencies may use a more limited review process involving fewer staff—often just the contracting officer—and a direct comparison of price and non-price factors.

CHALLENGES WITH CURRENT USE OF BEST VALUE CONTRACTING

The Forest Service and BLM use best value in a variety of ways. At times, the agencies develop comprehensive evaluation criteria based on diverse project goals, weigh price equal or greater to other factors combined, and evaluate non-price factors in detail.

Too often, however, evaluation criteria are generic and evaluation processes focus on identifying the lowest cost, technically acceptable proposal. The agencies are inconsistent in their consideration of local community benefit as part of their evaluation. When the agencies over-emphasize price, the government, landscapes, communities, workers, contractors, and American public can miss the opportunity to gain valuable ecological, social, and economic benefits.

RECOMMENDATIONS FOR IMPROVEMENTS

We believe that the Forest Service and BLM can increase the effectiveness of stewardship and service contracting if they make better use of existing best value contracting authorities. To accomplish that, we recommend action in several areas:

Community benefit

1. Develop guidance that provides direction to the field on how to consider and weigh local community benefit when awarding contracts “for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration or management,” as permitted in P.L. 109-54 (see authorities section below).
2. Provide clear guidance to BLM field staff that local economic community benefit can and should be a factor considered when evaluating offers for all stewardship contracts not just those that involve the use of National Fire Plan funds.

Best value criteria, weighting, and evaluation

Provide additional guidance to field staff to:

1. Encourage the development of project-specific evaluation criteria that enable the achievement of multiple goals (improving ecological conditions, using highly qualified contractors, providing local rural community benefits,

- ensuring that workers on the project are treated fairly, etc.).
2. Work with community partners to develop evaluation criteria that support the multiple objectives of the project.
3. Ensure that non-price factors are weighted heavily enough to ensure that they will receive serious consideration when choosing contractors.
4. Ensure that past performance evaluations include consideration of past employment and hiring practices, including any instances of wage, safety, or other violations. This is particularly vital for those contracts that may involve the use of migrant or seasonal labor.
5. Ensure that contracting officers convene multi-disciplinary teams (possibly including representatives of local collaborative groups or other appropriate non-agency persons) to evaluate technical proposals.
6. Ensure that technical proposals are evaluated prior to the opening and evaluation of price proposals.
7. In stewardship contracting templates, provide a broad range of examples of best value evaluation criteria and weighting distributions and explain how they can be used to help ensure the achievement of project-specific goals.
8. Create templates of service contracts that make effective use of best value, perhaps building on the solicitations typically used for plant and animal surveys.

Tracking progress

1. Expand the project-level and/or programmatic monitoring of stewardship and service contracting to evaluate how best value contracting is being used, including how the evaluation criteria and weighting used are designed to best accomplish restoration goals while also benefiting rural workers and communities.

BEST VALUE AUTHORITIES

Federal Acquisition Regulations (FAR)

Best value contracting is a standard part of many federal acquisition procedures. Although not all contracts are awarded on a best value basis, it is frequently used to evaluate request for quotes, request for proposals, and the acquisition of commercial items. A federal agency chooses the specific criteria that it uses to evaluate offers. Detailed information can be found in the FAR Parts 13, 14, and 16.

Community Benefit

Over the past five or more years, the Forest Service and BLM have been given authority in the appropriations legislation to consider rural community benefit when awarding contracts “for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration or management.”

Public Law 109-54, Sec 420 (FY2006 Interior Appropriations; identical language for FY 2007 passed via continuing resolution).

Sec. 420. In awarding a Federal contract with funds made available by this Act, notwithstanding Federal Government procurement and contracting laws, the Secretary of Agriculture and the Secretary of the Interior (the "Secretaries") may, in evaluating bids and proposals, give consideration to local contractors who are from, and who provide employment and training for, dislocated and displaced workers in an economically disadvantaged rural community, including those historically timber-dependent areas that have been affected by reduced timber harvesting on Federal lands and other forest-dependent rural communities isolated from significant alternative employment opportunities: Provided, That notwithstanding Federal Government procurement and contracting laws the Secretaries may award contracts, grants or cooperative agreements to local non-profit entities, Youth Conservation Corps or related partnerships with State, local or non-profit youth groups, or small or micro-business or disadvantaged business: Provided further, That the contract, grant, or cooperative agreement is for forest hazardous fuels reduction, watershed or water quality monitoring or restoration, wildlife or fish population monitoring, or habitat restoration or management: Provided further, That the terms "rural community" and "economically disadvantaged" shall have the same meanings as in section 2374 of Public Law 101- 624: Provided further, That the Secretaries shall develop guidance to implement this section: Provided further, That nothing in this section shall be construed as relieving the Secretaries of any duty under applicable procurement laws, except as provided in this section.

Stewardship Contracting

The law authorizing stewardship contracting requires that all contracts be awarded on a best value basis (P.L. 108-7, Sec 323, 16 U.S.C. 2104 Note). Because one purpose of the law is to meet rural community needs, the Forest Service has interpreted the law to permit the consideration of local community benefit in the evaluation of stewardship contract offers.

COALITION PARTNERS

Arizona

Future Forest, LLC

California

Alliance for Forest Workers and Harvesters
Watershed Research and Training Center

Colorado

Forest Energy Corporation

Idaho

Framing Our Community

Montana

Flathead Economic Policy Center
Northwest Connections
Swan Ecosystem Center

New Mexico

Center for Biological Diversity
Forest Guild
Gila WoodNet
Restoration Technologies, LLC
Santa Clara Woodworks
SBS Wood Shavings
The Village of Ruidoso, New Mexico, Forestry Department

Oregon

Central Oregon Intergovernmental Council
Ecosystem Workforce Program
Institute for Culture and Ecology
Lake County Resources Initiative
Lomakatsi Restoration Project
Oregon Department of Forestry
Oregon Trout
Resource Innovations
Siuslaw Institute, Inc
Sustainable Northwest
Wallowa Resources

Washington

Gifford Pinchot Task Force
Mt. Adams Resource Stewards
Okanogan Communities Development Council
Pinchot Partners

Washington DC

American Forests
Pinchot Institute for Conservation

FOR MORE INFORMATION

Cassandra Moseley, Ecosystem Workforce Program
541-346-4545
cmoseley@uoregon.edu

Lynn Jungwirth, Watershed Research and Training Center
530-628-4206
lynnj@hayfork.net

Learn more about RVCC: 503-221-6911
issue@sustainablenorthwest.org
www.sustainablenorthwest.org/programs/policy.php