

# BEST VALUE & STEWARDSHIP CONTRACTING GUIDEBOOK

MEETING ECOLOGICAL &  
COMMUNITY OBJECTIVES



**SUSTAINABLE  
NORTHWEST**



**Flathead Economic  
Policy Center**

Best Value and Stewardship Contracting Guidebook: Meeting Ecological and Community Objectives

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Prepared by:  
Carol Daly, Flathead Economic Policy Center  
919 Elk Park Rd.  
Columbia Falls, MT 59912  
406-892-8155

Edited by:  
Maia Enzer, Sustainable Northwest  
Karen Steer, Sustainable Northwest  
Pam Wiley, Sustainable Northwest  
John Harrington, Sustainable Northwest

Design and Layout by:  
John Harrington, Sustainable Northwest

Photographs by:  
Carol Daly, Flathead Economic Policy Center

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[www.sustainablenorthwest.org](http://www.sustainablenorthwest.org)

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## Author Biography:

Carol Daly founded the Flathead Economic Policy Center (FEPC) in Columbia Falls, Montana in 1994, and has been involved in stewardship contracting ever since. She was an early advocate of the concept, and through her participation in the Flathead Forestry Project, facilitated a number of projects demonstrating the value of best value and stewardship contracting in comprehensive forest restoration. Carol has conducted related training for Forest Service and Bureau of Land Management personnel, community forestry and environmental groups, contractors, and other stakeholders.

FEPC facilitated the multi-party monitoring of Forest Service stewardship pilot projects in the Inland Northwest for five years, and now conducts programmatic monitoring for the Forest Service and BLM assessing the role local communities play in stewardship contracting.

Carol has extensive experience in ranching, manufacturing, aviation, and government service. She is president of the Communities Committee, serves on the Western Governors' Association's Forest Health Advisory Council and on the board of the Bad Rock Volunteer Fire Department, and is a member of the Society of American Foresters. She received her B.A. from Bennington College and did additional course work at the University of Montana.

Carol Daly, President  
Flathead Economic Policy Center  
919 Elk Park Rd.  
Columbia Falls, MT 59912  
406-892-8155  
cdaly1@centurytel.net

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# Introduction

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Stewardship Contracts provide agencies, communities, and businesses with a new way to offer, package, and implement projects on public lands. The purpose of this guidebook is to provide those working on stewardship contracting with a basic understanding of its best value requirements and to offer examples of best value evaluation criteria used in actual project solicitations. Stewardship contracting authorities require that, regardless of other mechanisms used, all individual projects are offered using best value criteria.

There are seven special authorities available for use in a stewardship contract, many of which cannot be used in a conventional timber sale or service contract. These include:

- the award of contracts on the basis of best value to the government,
- the exchange of goods for services,
- the retention of project receipts,
- designation by prescription (end results contracting),
- designation by description,
- the use of less-than-full-and-open competition in project solicitations, and
- the awarding of contracts up to 10 years in duration.

“Best value” is the only authority whose use is mandatory. Any or all of the others may be used as appropriate to shape a contract that will best facilitate the achievement of project objectives.

Although some of the examples of best value criteria given in this guidebook are drawn from projects implemented under the stewardship contracting demonstration program (commonly referred to as the pilot program), all Forest Service Handbook citations are current as of the date of this publication. Stewardship contracting authorities are now broadly available to both the Forest Service and the Bureau of Land Management, but this guidebook only examines the authorities and guidance developed for the Forest Service. Agency contact information for each project used as an example is included in the Resources section.

Use of best value is central to every stewardship project. We hope this guidebook will help readers maximize the benefits of using best value criteria to meet ecological and community needs on Federal public lands.

# Summary

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Stewardship contracting requires that all contracts be awarded on a ‘best value’ basis, allowing the government to consider factors other than price in making contract awards. These factors include technical approach, past performance, and the provision of local benefit.

Best value places a premium on quality and competency in Forest Service stewardship contracting and its use creates new demands upon both those who prepare stewardship contract proposals and those who evaluate them. At the same time, it also provides a unique opportunity for the agency, communities, contractors, and other stakeholders to work collaboratively to:

- Develop and implement well-designed, sometimes innovative, forest ecosystem restoration projects.
- Increase public satisfaction with land management on National Forests.
- Selectively and responsibly draw upon the valuable reservoirs of knowledge and ideas residing in the contractor community.
- Allow quality, experienced contractors to focus for up to 10 years on achieving the desired ecological end results on a particular landscape – enabling a sense of “ownership” in and responsibility for long-term outcomes.
- Help ensure that contractor offers are well thought out, complete, and accurately costed.
- Weigh both quality and price in making contractor selection, and pay more, when appropriate, for better, more technically advantageous work.
- Help create sustained economic opportunities for local businesses and workers.
- Enhance community resiliency and the local tax base.
- Encourage the retention, expansion, and diversification of the existing forest industry infrastructure or facilitate the creation or rebuilding of infrastructure in areas where it has been lost.
- Encourage contractors to provide needed training to subcontractors and employees, upgrading their skills on a continuing basis.
- Contribute to a socially healthy environment – where workers need not go elsewhere for extended periods to find employment, but can remain in their local community to support and participate in its social, cultural, and religious life.

Contracts awarded on a best value basis offer new opportunities for the selection of an *overall* high quality offer, rather than the low offer on service work, or the high bid on the sale of timber. Best value selection enables the agency and stakeholders to collaboratively shape a particular project and provide contractual structure and incentive mechanisms that promote excellence. It establishes an effective basis for contract administration, and provides the framework for implementation monitoring and quality control. Best value criteria also provide clear benchmarks by which the agency, its critics, and other concerned stakeholders can judge project activities and outcomes.

When combined with structured (preferably multiparty) implementation and effectiveness monitoring, the use of those benchmarks should enable the agency to clearly demonstrate that performance lived up to promise. Coupled with new authorities for Community Wildfire Protection Plans, Categorical Exclusion, and collaboration, it offers great promise for a renaissance in agency, community, and other stakeholder relations and a positive movement towards healthy forests and resilient, sustainable rural communities.

# Authorization & Interpretation of Best Value in Stewardship Contracting

Section 347(c)(1) of the Omnibus Consolidated Appropriations Act of FY 1999 created the stewardship contracting demonstration program and specified how contracts should be awarded:

*PROCUREMENT PROCEDURE. – A source for performance of an agreement or contract under subsection (a) shall be selected on a best-value basis, including consideration of source under other public and private agreements or contracts.*

The definition and guidance related to this ‘best value basis’ has gone through several revisions since stewardship contracting was first created and as it transitioned to a permanent authority. The current definition, found in Section 60.5 of the Forest Service Handbook (FSH) reads:

*Best Value Basis. The expected outcome of an acquisition that, in the Government’s estimation, provides the greatest overall benefit in response to the requirements of the acquisition. It is the process of selecting a contractor based on price and non-price criteria. Evaluation factors may include, but are not limited to, past performance, work quality, experience, and benefits to the local community.*

Section 63.1 further defines best value basis to include:

## *63.1 – Awarding Stewardship Contracts on Best Value Basis*

*1. In awarding a stewardship contract on a best value basis, the Forest Supervisor or other authorized line officer shall consider criteria other than cost or price. These non-price criteria include, but are not limited to, the contractor’s past performance, work quality, existing public or private agreements or contracts, on-time delivery, experience, and technical approach. The Forest Supervisor or authorized officer may consider the benefits to the local and rural community when awarding a stewardship contract on a best value basis. The Forest Supervisor may use non-traditional contractors or recipients, such as counties, private persons, or other private entities.*

*For evaluation of price-related criteria, the product value and service work value shall be considered separately. These values are then combined to determine the need for appropriated funds or the amount of residual receipts for the stewardship project.*

*2. When anything less than full and open competition is used for contractor selection, the Forest Supervisor must document and submit to the Regional Forester the reasons for the selection process used. Documentation submitted shall include the level of competition to be used in the contracting process. Documentation of the level of competition shall address all appropriate considerations pursuant to the Federal Acquisition Regulation found in Title 48, Code of Federal Regulations, parts 6 and 19 (FSH 6309.32-FAR)*

Best value contracting is still a new approach to many people both within and outside the Forest Service. For contracting officers who specialize in timber sales, and for timber contractors who are used to submitting only a price bid, the need to address a number of other selection factors creates a more complex process, and greater demands, than that with which they are familiar.

# Using Best Value to Achieve Collaborative,

## COLLABORATIVE

Collaborative processes allow or provide opportunities for diverse interests and stakeholders to play an active and meaningful role in all aspects of stewardship contracting projects by:

- developing the purpose and need statement, project scope, resource management objective(s), alternatives, and project design;
- identifying rural and community needs;
- conducting or participating in contractor outreach and training activities;
- serving on technical review panels;
- monitoring on-the-ground activities and outcomes;
- providing feedback on the effectiveness of stewardship authorities and contracting procedures and documents.

Such continuing, positive involvement of diverse interests can lead to further assistance being given to the agencies through the provision of outside technical expertise and supplemental project funding.

The best value aspect of stewardship contracting is highly attractive to collaborative group members and other stakeholders, and can provide a point of focus around which a diversity of interests can be engaged. This is most likely to occur if the multiple interests, issues, and objectives of the participants are addressed and become part of the stewardship project, and being incorporated into the best value criteria and the contract itself.

The Healthy Forest Restoration Act's (HFRA) authorities and its incentives for collaborative Community Wildfire Protection Planning dovetail wonderfully with the use of stewardship contracting to ensure high quality project implementation.

The technical requirements and factors in stewardship contract solicitations can include factors that build on collaborative efforts. For example, the *Yaak Community* solicitation required offerors to explain how they planned to interact with the local community collaborative throughout the project's life. Although there was no requirement for it in the *Clearwater* solicitation, the successful offeror proactively declared its intent to have a community collaborative group conduct independent project monitoring to assure that quality objectives were being met.

One of the greatest challenges the agencies face in implementing restoration projects is gaining the acceptance of proposed projects by critical interest groups. The use of best value may be helpful because it is often not *what* the project will do that concerns these interest groups, but *how* it is going to be carried out and might affect other forest resources. Collaboration coupled with best value contracting and multiparty monitoring can help the agency better address these issues.

## ECOLOGICAL

Best value criteria enables offerors to propose innovative approaches to achieving complex ecological goals.

*Lakeface Lamb* included the following provision in its solicitation:

*Offerors may, at their discretion, submit alternate proposals or proposals which deviate from the [stated] requirement; provided, that an offeror also submit a proposal for performance of the work as specified in the statement of work. Any "alternate" proposal may be considered if overall performance would be improved or not compromised, and if it is in the best interest of the Government....*

Meeting ecological goals through best value criteria is particularly valuable for larger scale and complex restoration projects. Contractor responses to the technical criteria, coupled with any innovative alternative approaches they may propose enable the agencies to selectively and responsibly draw upon the valuable reservoirs of knowledge and ideas residing in the contractor community.

Other stewardship contracting concepts and authorities will also become increasingly useful as contractors are encouraged through best value selection criteria to focus on end results and how desired future conditions can best be achieved. Employing designation by description and/or prescription, coupled with ongoing monitoring and a timely adaptive management system, gives contractors and agency managers flexibility to modify project activities as needed to meet ecosystem restoration objectives.

Best value coupled with multiyear, end result contracting allows quality, experienced contractors to focus for up to 10 years on achieving the desired ecological end results on a particular landscape. It thus creates a sense of "ownership" in the land and enhances a contractor's sense of responsibility for long-term outcomes.

# Ecological, Economic, & Social Objectives

## ECONOMIC

Declining timber harvest levels on national forests have adversely impacted rural communities for whom the surrounding federal lands have traditionally fueled their economic engine. Through its best value mandate, stewardship contracting can be intelligently applied to help create sustained economic opportunities for local businesses and workers.

Evaluation criteria and selection factors might be used to encourage local economic development and help the existing wood processing infrastructure to survive, diversify and/or expand. Best value can be used to encourage hiring local contractors and workers, local purchase of materials and supplies, supplying materials to local value-added businesses, and so forth.

Best value criteria and the stewardship contract structure can increase the utilization of what is generally considered ‘unmerchantable’ material. For example, on the *Paint Emery* demonstration project, the contractor needed to remove both merchantable and unmerchantable trees in order to meet the desired future condition. Where waste material would normally be piled and burned, the contractor was able to deliver it to a pulp mill and a commercial firewood manufacturing plant. The economics of piling and burning the waste were less attractive than the economics of remanufacturing it and thus capturing more value from the trees removed.

Best value contracting can also help reduce agency administrative costs. Top quality contractors, with proven track records and effective quality assurance programs, should require less on-the-ground supervision, hence reducing agency staff time and travel requirements.

## SOCIAL

Approaches that improve a community’s economic well-being also drive social resilience. This includes tax base increases to support schools and other public services, and opportunities to keep skilled workers and critical businesses in place.

The *Hungry Hunter* demonstration project solicitation described how “meeting community needs” went beyond local hiring: *We hope to meet several objectives by giving added weight in the best value award process to contractors’ use of the Local Work Force (Okanogan County). One desire is to more fully utilize the existing capacity of local workers to do restoration work near their home communities. Also, we hope to develop new capacity locally if it can be done in a way that ensures quality and value to the government. Explain how your hiring, training, and subcontracting plans will help to develop a multi-skilled local workforce and provide greater opportunities for year-round work in Okanogan County.*

The premium placed on a multi-skilled workforce with access to year-round work in the local area speaks to the desire for a family-friendly environment – where working people don’t have to travel elsewhere for extended periods in order to earn a living, where they can be home to coach Little League, serve as volunteer firefighters, attend school plays, care for elderly parents, and otherwise support and participate in the social, cultural, and religious life of the community. It also speaks to the hope of upgrading one’s skills in order to qualify for a job with higher wages and benefits.



# Structuring & Soliciting Best Value Proposals

## Working with Stakeholders Outside the Agency

### *Collaborative Process*

It is important to utilize the collaborative process in defining best value criteria. Collaborative groups and other stakeholders have a good understanding of the needs and opportunities for maintaining or restoring both ecological well-being and community economies. They can provide valuable input into the formulation of the technical proposal requirements and proposal evaluation ranking and weighting factors. Together with agency personnel, they can consider the resources available and help craft an appropriate set of bundled activities to be incorporated into the stewardship contract.



*Members of the Flathead Forestry Project and Forest Service officials review the details of the Paint Emery Stewardship Project, designed to test the potential environmental and economic benefits of “delivered log” contracting.*

### *Contractor Involvement*

Some contractors will no doubt be part of the broadly-based community collaborative effort, but all those who might be potential offerors and/or subcontractors should have an opportunity to ask questions and give suggestions as the Request for Proposal (RFP) or Request for Quotation (RFQ) is being developed. This includes non-traditional contractors such as local development corporations, community forestry groups, and other for-profit and non-profit organizations.

“Show-me” tours of the project area are particularly useful for involving contractors, providing an excellent venue for eliciting comments and discussion about such issues as desired future conditions, terrain, soil conditions, appropriate harvest/thinning systems, access, and tree marking or designation methodologies to be used. Greater contractor input up-front can lead to better project design in the end.

Additionally (at least until potential contractors are thoroughly familiar with the use of best value), it is helpful to hold workshops at which best value contracting is carefully explained and contractors get pertinent information on preparing responsive and accurate offers, recruiting subcontractors, implementing quality control procedures, and other important issues. Logging associations, local chapters of the Society of American Foresters, Resource Conservation and Development Districts, and nonprofits concerned with resource management often are willing to organize, sponsor, and/or facilitate such sessions. Although costs are associated with providing and/or receiving such training, having fully informed and trained contractors should help make the solicitation process more competitive and the offers more complete and responsive.

# Contract Components & Evaluation Criteria

## Two Types of Contract Formats:

1. Integrated Resource Contracts (IRCs), which combine the purchase of goods (usually timber) and the provision of land management services into one “goods for services” contract instrument; or
2. “Delivered Log” (DL) contracting which uses service contract(s) for the land management/conservation work and totally separate timber sale(s) of delivered logs.<sup>†</sup>

## Technical Evaluation Categories:

The technical (as opposed to price) proposals for IRCs and DL service contracts are normally broken into two or three different types of evaluation categories. The most frequently used are:

1. Technical Approach
2. Capability & Past Performance and/or List of References
3. Meeting Local and Community Needs

Price is generally not considered by the review team until the technical ratings are completed.

## Technical Approach

The technical approach – a description of how the contractor will complete the project – is used to evaluate the proposal. To help contractors understand how to best address this component, it is helpful to provide information on the topics that should be covered in the proposal, using ‘leading questions’ or sample responses as a way to draw out desired information. From the agency perspective, the more information that can be received in the initial offers, the less need to obtain it later through written or oral discussions. The following are examples of the use of technical approach in designing best value criteria.

### *General Technical Approach Criteria*

Four of the Forest Service projects studied for this guide - Cedar Spoon (CS), Clearwater (CL), Westface (WF), and Yaak Community (YC) - used a Technical Approach format that laid out a list of project elements that offerors were expected to discuss in their proposals. This included:

- Describe your plan of operations for both timber harvest and land management work activities.<sup>1</sup> Include a time line and the rationale for the work activities identified to ensure all contractual requirements will be completed by the termination date. (CS, CW, WF, YC)
- Describe in detail how your proposed harvesting operations will implement the silvicultural prescriptions. (CS, CW, WF)
- Describe your quality control plan for both the harvesting and land management activities. (CS, CW, WF)
- Display your understanding of the extent and nature of the work to be done. (YC)
- Describe your plans for coordination with the local collaborative group. (YC)
- Provide names and résumés for your project manager and your on-the-ground supervisor(s). (CS, CW, WF)
- Describe the equipment you propose to use to accomplish this project, including both harvest and land management activities. (CS, CW, WF, YC)
- Define your production capability to accomplish this project within the contract time. (CS, CW, WF, YC)

These four solicitations each contained a single “boilerplate” paragraph to guide offerors in the preparation of their responses:

*The technical proposal will be used to make an evaluation and arrive at a determination as to whether the proposal will meet the requirements of the Government. Therefore, the technical proposal must present sufficient information to reflect a thorough understanding of the requirements and a detailed description of the techniques, procedures, and program for achieving the objectives of the specifications/statement of work. Proposals which merely paraphrase the requirements of the Government’s specifications/statement of work, or use phrases such as “will comply” or “standard techniques will be employed” will be considered unacceptable and will not be further considered.*

### *Examples of More Specific Technical Approach Criteria*

The other four projects – Hungry Horse -West Glacier (HHWG), Hungry Hunter (HH), Lakeface Lamb (LL), and Paint Emery (PE) – crafted their Technical Approach requirements to provide more specific guidance to offerors regarding what issues would be of particular concern to evaluators. The following pages contain the relevant sections from solicitations for each of those projects.

<sup>†</sup> Delivered log contracting was used to implement stewardship contracting from its inception until the Forest Service released revised FSH 2409.19, Chapter 60 in November 2005, listing five contract types “approved for use in stewardship contracting”: two integrated resource timber contracts, two integrated resource service contracts, and a service contract. Because some agency officials interpret that direction to mean that delivered log contracting – a desirable implementation tool -- can no longer be used, further clarification is being sought.

<sup>1</sup> In some solicitations “land management work activities” were instead called “conservation project work.”

***Technical Approach Criteria Example 1:******Paint Emery DL/service contract***

Flathead National Forest, Montana

This solicitation used a series of specific questions to elicit the needed information:

A. In general terms, describe your proposed logging methods including the logging systems and equipment to be used.

*Note: After award and prior to beginning work, the Contractor must submit a detailed logging and resource protection plan for each unit, subject to approval by the Contracting Officer. A copy of your Safety Plan (public and employee safety) will also be required at this time.*

B. In general, what methods will you use to protect resources such as leave trees, roads and other improvements, and soils. Include a discussion of how you will avoid detrimental soil disturbances (such as displacement, compaction, or erosion) described in Clause C-13....

Examples of discussion points include:

1. What criteria will be used to determine which logging system to use to protect soils, improvements, or leave trees (% slope, tracked vs. rubber-tired?, etc.)
2. Will there be consideration of dispersed vs. designated skid trails, width of trails, distance between trails, etc.?
3. What are the wet weather or wet soil condition procedures?
4. Will "rub trees" be used?
5. What methods will be used to protect campground improvements (tables, roads, toilets, etc.)?

C. How will you ensure you and all your employees understand and comply with Best Management Practices (BMP) and Streamside Management Zone (SMZ) requirements?

D. Slash treatment. Describe how you will meet the slash treatment requirements of Clause C-10.... How will your slash treatments in Units 1-10 provide site preparation for tree planting?

E. How will you coordinate with the log buyer(s) to sort, haul, deliver, and weigh the logs in a manner that is efficient for both buyer and yourself, and ensures painting and branding and log accountability?

F. Provide a general proposed progress schedule that indicates your plans to complete all six projects contained in this solicitation, taking into consideration the restrictions discussed in Clause F-3...?

G. How will you prevent noxious weed spread to, from, and within the work areas that could result from any operations under this contract?

H. Describe your quality control and/or self-inspection procedures, particularly for the stand treatments and product quality.

1. How will you assure the stand treatment and resource protection specifications are met?
2. How will you assure that the log buyer's lengths, diameters, and other specifications are met and that the highest value products are produced?
3. What will be the remedy(s) if the specifications are not met?

*Technical Approach Criteria Example 2:**Lakeface Lamb*

Idaho Panhandle National Forest, Idaho

This solicitation, which is used as an example in the Forest Service's IRC service contract template (Section L.8) asked offerors to describe certain facets of their proposed operations, and then further explained what information was expected to be included in each response and how it could/should be presented:

*Technical Approach*

## A. Organization

1. List the names and proposed duties of key personnel (*specify the project superintendents*) and consultants assigned to the various project elements (Roads, Fuels Treatments, Timber Removal, Planting, etc.). Provide information on work background, and recent work experience. The approximate percentage of time each individual will be available for this project must be included. List all areas of work that you intend to subcontract and the subcontractors you intend to use. Identify project work that will be subcontracted but for which you currently have no subcontractor commitment.
2. Identify how you will organize the management of your activities to ensure that all activities are completed in a coordinated fashion.

## B. Understanding of Project and Performance Plan.

In general terms, describe the organization and methods that will be used to accomplish the primary work elements in such manner that your, or your sub-contractor's, approach to, and coordination between, the various operations are clearly described. These may be addressed individually by the division or sub-contractor responsible for a given project element.

1. Generally describe your approach to cutting and removal of timber and associated activities, including:
  - a. Identification of equipment to be used that will meet contract requirements, include Type, Model.
  - b. Description of your approach to implementing and ensuring resource protection, considering requirements in the specifications.
  - c. A general plan or schedule for unit entry and completion.
  - d. Description of quality control and self-inspection procedures that will ensure objectives are being met during operations.  
*Note: This is NOT a request for a detailed logging plan. After award and prior to beginning work, the Contractor must, as stated in the timber removal specifications, submit a detailed logging and resource protection plan covering each unit and subject to approval by the Contracting Officer.*
2. Generally describe your approach to performing and coordinating the work in each of the non-timber work elements specified. Include a description of quality control and self-inspection procedures that will ensure objectives are being met during operations. Similar work elements may be addressed together, such as:
  - a. Fuel Treatment, including methods and type of equipment to be used.
  - b. Road Construction, Obliteration and Maintenance.
  - c. Planting, Thinning, Pruning, Snag Creation.
  - d. Noxious Weed Treatment.
  - e. Trail Construction, Reconstruction.
  - f. Miscellaneous Construction (Warming Hut, Toilet, Fencing, Signs and Fishing access).

3. Generally describe your overall plan to coordinate the work in 1 and 2 above. Summarize your intended sequence of performing the work and any work that will be performed concurrently, including a proposed timeline for completion of all work. Identify what mitigation measures will be used to protect the resources.

*Note: Quality Control. Any discussion of Quality Control in 1 and 2 above should include the inspection system used to satisfy the requirements of the Inspection Clauses, Section E.*

***Technical Approach Criteria Example 3:***  
***Hungry Horse-West Glacier DL/service***  
**Flathead National Forest, Montana**

*Technical Approach*

The technical approach shall include information on how the work will be organized and performed in accordance with the specifications and evaluation criteria set forth in this section. *To assist the Source Selection Official in the evaluation, you should number your responses to correspond with the criteria being addressed.* The technical portion of the proposal shall address the following:

*Quality Control Plan*

A. Plan of Operation

1. What is your proposed plan of operation and schedule for meeting the requirements of this contract? Include a discussion of your proposed progress schedule, the size of your crew, equipment, logging methods proposed for merchantable timber removal and slash treatments, and how you will ensure that the product specification from Log Purchase Agreements are met. In addition, if you are providing an offer on the optional pile burning, include a discussion of your experience in this type of work and your proposed plan of operation in meeting the burning requirements.
2. Bid Item Nos. 1 through 4 require mandatory chipping or shredding on at least 5 acres with priority within the Defensible Fuel Profile Zone. Specify the location of this 5-acre area for chipping or shredding.
3. For each unit, indicate whether you will remove, chip, pile, or pile and burn the slash.

B. Equipment

1. What type and size of equipment will you use for the various tasks associated with this project?
2. Provide the names, qualifications, and detailed experience working on similar terrain for each equipment operator and which equipment that operator will use.

C. Resource Damage

What measures will be implemented to protect or minimize soil erosion or compaction and damage to leave trees?

*Safety Plan*

What methods will be utilized to ensure public and employee safety on the worksite during the contract period?

*Note: Past performance and experience information will be used for evaluation purposes only. The successful Offeror's proposal regarding Technical Approach that is accepted by the Government will become part of any resultant contract.*

*Technical Approach Criteria Example 4:*  
*Hungry Horse-West Glacier DL/sale of delivered logs*  
Flathead National Forest, Montana

The Hungry Horse-West Glacier DL/sale of delivered logs Technical Approach section included a number of examples of how price responses might be framed, as well as asking a number of other technical questions necessary to making a best value determination.

1. Hungry Horse Products specifications: Describe the products you are bidding on, preferred product lengths, other product specification, and price per ton (delivered). You may bid on specific products such as sawlogs only, post and poles only, or a combination of products such as sawlogs, topwood, post and poles, hog fuel, etc. Describe your product specifications so that it can be included in the stewardship contract and be used to describe included timber. (Example: Sawlogs of mixed species to a 4.6 inch dib in 2 foot multiples with the preferred lengths of \_\_\_\_\_ feet plus trim, 33% of gross volume at \$\_\_\_\_\_/ton. My weighted average for all species in \$\_\_\_\_\_/ ton).
2. Lodgepole Pine Sawlogs to a 4.0 inch top with preferred lengths in 8 foot multiples plus trim. My weighted average price per ton is \$\_\_\_\_\_/ton.
3. Post and poles to 2.5 inch dib with minimum length of 8 feet at \$\_\_\_\_\_/ton.
4. Hog fuel for products including tops and limbs not meeting other merchantability specifications at \$\_\_\_\_\_/ton.)
5. Delivery Point(s): State where each product you are bidding on is to be delivered.
6. Delivery Times: Describe which days of the week, hours, and months of the year that you will accept log delivery and your off load method: (Example: At a minimum, M-F, from 6:00 a.m. to 6:00 p.m. from June 1 through February 15. Products will be off-loaded with our 966 or equivalent.)
7. Weight Location: Describe where the products will be weighed if different than the delivery point, or if your delivery point is beyond 50 miles from the HH-WG Project area. Also describe how you will implement truck ticket accountability.
8. Pay Schedule: Describe your pay schedule: (Example: Products delivered from the 1st to the 15th of the month will be paid for by the 20th, and products delivered from the 16th to the 31st of the month will be paid for by the 5th of the following month.)
9. Payment Guarantee: Standard provision #14 requires advance deposit prior to delivery of products. Provision #16 allows for various forms of payment guarantee. Describe how you plan to meet this requirement.

*Technical Approach Criteria Example 5:**Hungry Hunter*

Okanogan-Wenatchee National Forest, Washington

The Hungry Hunter added three pages of “Additional Information for Development of Technical Proposals” to its solicitation. The first paragraph explained:

*The following information provides prospective Bidders with some ideas on what specific items to emphasize in their Technical Proposal. These items cover areas of special concern to the Forest Service and the community collaborative, which has participated in the development of this project. They are areas where we are more likely to consider tradeoffs between price and quality....*

Each technical factor was discussed in detail, and examples of possible responses were given. For example, one of the five subfactors under “Quality Assurance Plan,” dealt with monitoring:

*The Hungry Hunter Project is being done under new Stewardship Authorities granted by Congress. Use of these authorities requires that project planning and implementation be done in a collaborative manner with interested parties. The Hungry Hunter project has an established Multi Party Monitoring Team (MPMT) that has followed the project from its inception and has a strong interest in a successful and effective outcome for the contract. During and after project completion the MPMT expects to be doing monitoring within the Contract Area. Explain how you think you can best work with the MPMT to benefit the project. Examples [of] responses might include (but are not limited to):*

- *We will make our monitoring efforts transparent and the results available to the MPMT*
- *We will adjust operations in ways to accommodate multi-party monitoring of ongoing activities, e.g. providing safe access, sharing information regarding when activities will take place in specific locations, etc.*
- *We will have our key monitoring personnel attend occasional meetings of the MPMT or public field trips to demonstrate what is being done with the project.*
- *Or...None of the above: we don't want to have to deal with the MPMT.*

*NOTE: Under the direction guiding the use of Stewardship Authority the Forest Service cannot pay for collaboration. You should list only those items that would require not additional cost to your company or are being offered by your company, without charge to the government, as a contribution to this local collaborative effort.*

## Capability and Past Performance

This evaluation criteria focuses on how well the contractor has accomplished previous work and what capabilities and experiences the contractor has relevant to the proposal. Following are some examples of how this has been used in past projects.

### *Example 1: General Capability and Past Performance Criteria*

The Cedar Spoon, Clearwater, Hungry Hunter, and Westface projects all required that the following information be provided to enable an evaluation of the offerors' capability and past performance:

- *Provide a list of the experience of your key personnel who will actually be working on this project.*
- *Identify all subcontractors you propose to use for this project and the work activities planned for subcontracting.*
- *Describe subcontractor's past performance using the criteria identified in (2) c. If any subcontractors are certified in their area of expertise, provide information as to when, what, and by whom they are certified.*
- *Submit a list of similar or related projects that your firm has completed in the past 3 years. This listing must include the project type; contract amount or project size; location, the year completed, the Agency, company, or individual contracted with and a current telephone number.*

### *Example 2: More Specific Capacity and Past Performance Criteria*

Yaak Community used the same three questions detailed above, but supplemented the first with a detailed description of what qualifications and/or experience would be deemed acceptable for persons performing some work functions, as the following excerpt illustrates:

#### *Experience of Key Personnel*

*Provide a list of the experience of your key personnel who will be actually be working on this project, addressing the following (as applicable) at a minimum:*

##### *Logging Crew(s)*

##### *Trail Maintenance Crew(s)*

##### *Stream Surveys*

- *Fish Biologist or Hydrologist will oversee the Stream Survey operation. This includes at least 2 years experience in electrofishing and a 4-year degree in Fisheries management or Hydrology.*
- *Crew leader – must receive formal training in water safety, electrofishing theory and electrical safety, and will have taken the MDFWP electrofishing safety course.*
- *Crew member – All crew members must take a standard one day electrofishing safety and training course taught by a trained crew leader which will include equipment and safety checklists and a “dry run” with no electricity in the water.*
- *All crew members must be able to swim 25 yards with a personal floatation device (life jacket) and waders on.*
- *At least 2 members on every electrofishing crew must have current certification in CPR.*
- *All crewmembers must be physically fit and report known health problems to their supervisor.*

##### *Weed Spraying*

*Spraying will be done by a State of Montana licensed commercial applicator, and only by personnel under direct supervision of the licensed applicator.*

##### *Common Stand Exams*

- *Each crew must have a crew leader with undergraduate courses in mensuration, tree identification, plant identification, silviculture, and ecology and three months prior experience collecting data for Forest inventory or vegetation classification.*
- *Other crew members must have undergraduate courses in mensuration and tree identification.*
- *Each crew member must be able to satisfactorily interpret aerial photographs.*
- *Specific technical experience may be substituted for a given educational requirement.*

## List of References

*Hungry Horse-West Glacier, Lakeface Lamb, and Paint Emery* substituted “List of References” for “Capability and Past Performance.” All three used phrasing similar to that in the *HHWG* solicitation:

*List of References. Offerors must submit a list of similar projects (i.e.; logging by prescription, slash treatment, and fuels treatment) that were completed during the past 3 years. If you are providing an offer on the optional pile burning, provide a separate list of references and experience in doing this type of work. These reference listings must show the project type; contract amount or project size; location; the year completed; the Agency, company, or individual contracted with; point of contact; and telephone number. For any work that will be subcontracted, specify the name of the Subcontractor and provide the above information on similar projects the Subcontractor has completed. These reference lists (prime Contractor plus Subcontractor) will be used to determining the technical ratings for the evaluation criteria entitled, “Capability” (reference Section M, Clause M-1 – EVALUATION FACTORS).*

*Offerors or proposed Subcontractors that are newly formed business entities, without prior contracts as a business entity, should list contracts and subcontracts completed under other business names or completed by their employees.*

*Each Offeror will be evaluated on the subfactors listed under “Capability” based on their performance under existing or prior contracts of a similar nature. Performance information will be used as an evaluation factor against which Offeror’s relative rankings will be compared to ensure best value to the Government. The Government will focus on information that demonstrates quality of performance relative to the size and complexity of the procurement under consideration. The Government, in the evaluations relating to Capability, may contact references other than those identified by the Offeror.*

The Capability “subfactors” referred to in the first paragraph included such items as past performance and quality of work, experience in similar work, customer satisfaction, business relations, safety compliance, cooperativeness, dependability, timeliness, and cost control.

The second paragraph provided a way for new contracting entities to use the previously demonstrated capabilities of their principals and/or employees to meet this requirement. This was important not only to new businesses, but also to non-traditional contractors hoping to take their first step into on-the-ground forest restoration work. *Lakeface Lamb*, for instance, was successfully competed for by the Priest River Development Corporation, a not-for-profit organization. PRDC was new to Forest Service contracting, but had tapped a very experienced individual to be their stewardship project manager.



*The multi-party monitoring team for the Clearwater Stewardship Project made frequent site visits to observe restoration activities and discuss progress with the contractor and Forest Service personnel. Winter logging both ensured grizzly bear security and minimized site disturbance.*

In the case of *Yaak Community*, none of the small local contractors in the Yaak Valley were able to take on the entire project. A Public Accountant in whom they all had confidence assumed the role of prime contractor, and the contractors (working as subcontractors) provided on-the-ground skills and experience.

Since no one knowingly provides the name of a customer they think will give his/her business a bad reference, solicitations routinely include a proviso stating that references other than those provided by the offeror may be contacted. To help reviewers get a head start on that job, the *Lakeface Lamb* “List of References” section added the following invitation:

*At the option of the Offeror, this list of past performance references may be provided prior to the due date of proposals.... However, the list MUST be provided NO LATER than the due date/time of the Proposals.*

This approach works only if the technical evaluation team is available to review past performance prior to the receipt of offerors’ proposals.

Although none of the Forest Service solicitations studied provided offerors details of how reference checking would be done, the BLM’s Whiskey South stewardship project offering not only explained the reference checking process, but also had offerors participate in it. An attachment to the solicitation contained a six page “Past Performance Questionnaire” and an accompanying cover letter from the BLM contracting officer. The instructions to the offerors said, in part:

***Notice to Offerors***

*Contained herein is the draft letter that the Contracting Officer will use to solicit past performance comments from those firms that the offeror has identified in response to the solicitation requirements as well as the complete questionnaire that will be used. ... Offerors are encouraged to submit the attached cover letter and questionnaire to their references and request the return of the questionnaire to the Contracting Officer as soon as possible prior to the established closing date of the solicitation.*

This approach can be effective when time allows for the questionnaires to be sent and returned during the evaluation period. Offerors were assured that the failure of a customer/reference to return a completed questionnaire would not be reflected in the BLM’s evaluation of the offer.

Some contracting officers believe that references are the most important part of a best value proposal – that the way in which contractors have performed on previous projects is the best indication of how they will perform on the one currently being offered. Rather than requiring offerors to include in their initial stewardship offers a detailed treatment plan for each unit in the project – a very time-consuming and demanding process – those contracting officers asked instead for general descriptions of how offerors would approach the job. They awarded the contract (using their full range of selection factors) to a contractor of proven quality, experience, and skill, and made the development and agency approval of unit-specific treatment plans a precondition for on-the-ground contract implementation.

## Meeting Local and Community Needs

The enabling legislation specifies that projects using stewardship contracting are **“to perform services to achieve land management goals for the national Forests or public lands that meet local and rural community needs.”** FSH 6309.32 – Federal Acquisition Regulation, Part 4G37.708 makes it very clear that the way in which an offeror proposes to meet “local and rural community needs” should be the focus of at least one proposal evaluation factor, and that the factor(s) should be weighted to ensure “sufficient” emphasis.

### 4G37.708-2 Evaluation Factors

*In addition to the requirements set forth in FAR 15, the stewardship authority requires consideration of how contracts meet local and rural community needs.*

*(a) Responsibility: Contracting Officers have the responsibility to include in solicitations at least one evaluation factor pertaining to local and rural community needs. Weight should be given to the factor(s) to allow sufficient emphasis on the requirement.*

*(b) Sample Factor: Benefit to the local and rural communities. Contractor shall provide a statement describing the benefit to local and rural communities, such as hiring local residents, subcontracting to local and rural contractors, purchasing supplies, lodging, and so forth. Local is described as (insert city or county name or geographic area).*

*(c) Evaluation factor content and purpose: Evaluation factor content and purpose may be developed based partially on needs identified through the community collaboration phase under the stewardship authority. Consideration may include such elements as utilization of local workforce, improvement of skills available in the local workforce, increased health of local industries, and reliance on local and rural small businesses.*

*(d) Specific or unique funding: If specific or unique funding is used to accomplish a contract, the following factors should also be included to comply with additional legislation. For example:*

#### *(1) Title II*

*(a) Technical demands and complexity of the work*

*(b) The ecological objectives of the project and the sensitivity of the resources being treated.*

*(c) The past experience of the Contractor with:*

*i. The type of work being performed*

*ii. Using the type of equipment proposed for the project*

*iii. Meeting or exceeding desired ecological conditions*

*(d) The commitment of the Contractor to hiring highly qualified workers and local residents.*

*(2) National Fire Plan: Evaluation for award should include commitment of the contractor to training and/or hiring rural community residents. Contractor shall provide their proposed plan for training and hiring rural residents*



*Potential offerors on the Hungry Horse to West Glacier Fuels Reduction stewardship project discuss the project at the District Ranger's office before going into the field with agency personnel and members of the local collaborative group for a “show-me” tour.*

In almost all of the demonstration projects, the offerors' planned utilization of the local workforce was a factor used to evaluate how well an offer would help meet community needs. *Contracting Officers have the responsibility to include in solicitations at least one evaluation factor pertaining to local and rural community needs.*

By setting minimum requirements for persons employed in various work activities – and then giving preference to offerors who will hire locally – such solicitations encourage contractors/subcontractors to provide needed training and help local workers upgrade their skills so they can meet the forest's threshold requirements for performing ecosystem restoration through stewardship contracting.

Giving preference for local hiring has proven to be very popular with communities, collaborative groups, and contractors, and has been used extensively. How “local” is defined differs widely from project to project. For example, the Clearwater project defined the entire state of Montana as local; the Hungry Hunter project had a slightly narrower scope, defining local as Okanogan County, Washington; and the Westface project defined local to be within 100 road miles of the project location.

*Lakeface Lamb* and *Yaak Community* provided tiered definitions of “local” for contractors to use in preparing their technical proposals. The offering documents explained how, if hiring was done farther from the immediate project area, decreasing degrees of preference would be given. For *Lakeface Lamb*, utilization of the workforce in Pend Oreille County, WA, and western Bonner County, ID, received the “highest evaluated rating.” Utilization of contractors and workers from the rest of Bonner County or further Counties received “some credit” for local utilization.

Similarly, for *Yaak Community*, offerors planning to hire contractors/workers in the Yaak River Watershed (the project area) received “highest” preference. Those who would hire from Troy, Montana, the nearest incorporated community, received “second-highest” preference. Finally, those hiring from elsewhere in Lincoln County received the “lowest level” of preference.

***It is important to note that local hiring is not the only means of providing local benefit.*** The Handbook says:

*Contractor shall provide a statement describing the benefit to local and rural communities, such as hiring local residents, subcontracting to local and rural contractors, purchasing supplies, lodging, and so forth. Local is described as (insert city or county name or geographic area).*

The *Whiskey South* solicitation, for instance, gave “incentives” (the BLM term for rewarding the contractor for greater success) for “*utilization of biomass, post/poles, other minor forest products especially in support of the local community. . .*”



*Both broadcast and “jackpot” burning were used as part of the Cedar Flats project's goal of restoring fire to the ecosystem.*

The *Condon Administrative Site/Fuels Reduction Project* on the Flathead National Forest included as a selection criterion, “*ability to conduct Firewise public education on creating survivable space around homes.*”

While local hiring has been popular with many projects, the review process used on the Flathead National Forest was a notable exception. Three of the forest's first four stewardship contracting projects (*Cedar Spoon, Hungry Horse-West Glacier, and Paint Emery*) gave no preference to offerors hiring locally. The local collaborative and area contractors had agreed that, while local preference seemed attractive, a similar preference included in the contracts offered by other forests in the region could disadvantage Flathead-area workers wanting to work on those projects.

# Evaluating Best Value Proposals

Once evaluation criteria are defined, it is important to develop the evaluation factors, decide on the relative weights to be given to each criterion, and prepare an evaluation plan.

## Evaluation Factors and Significant Subfactors

Section 15.304 of the Federal Acquisition Regulations (FARs)<sup>2</sup> explains that:

- (a) *The award decision is based on evaluation factors and significant subfactors that are tailored to the acquisition.*
- (b) *Evaluation factors and significant subfactors must -*
  - (1) *Represent the key areas of importance and emphasis to be considered in the source selection decision; and*
  - (2) *Support meaningful comparison and discrimination between and among competing proposals....*
- (d) *All factors and significant subfactors that will affect contract award and their relative importance shall be stated clearly in the solicitation.... The rating method need not be disclosed in the solicitation. The general approach for evaluating past performance information shall be described.*
- (e) *The solicitation shall also state, at a minimum, whether all evaluation factors other than cost or price, when combined, are-*
  - (1) *Significantly more important than cost or price;*
  - (2) *Approximately equal to cost or price; or*
  - (3) *Significantly less important than cost or price....*

As an example, the *Yaak Community* solicitation addressed those requirements in the following manner:

*The evaluation factors for this project and their relative importance are listed below in descending order of priority. Subfactors are also listed in descending order of priority.*

- A. *Technical Approach*
  - 1. *Organization, staffing, and management*
  - 2. *Reasonable use of appropriate equipment/material as well as a quality control program*
  - 3. *Understanding of the extent and nature of the work to be performed*
  - 4. *Work schedule*
  - 5. *Coordination with the Yaak Community Stewardship Project Steering Committee*
  - 6. *Production capability*
- B. *Preferential use of local employment resources*
- C. *Experience of key personnel*
- D. *Past performance of key personnel*

*All technical factors, when combined, are considered to be equal in importance to price.... Firms lacking a past performance record (new firms and those with no relevant experience within their organization) will be treated as an unknown performance risk, and will receive a neutral rating in this criteria. A neutral rating will be established as the average of all other competing offers....*



*Members of the Inland Northwest Regional Multiparty Monitoring Team discussed stand conditions and previous disturbances on the site of the Littlehorn Wild Sheep Habitat Restoration stewardship project on the Colville National Forest.*

<sup>2</sup> The FAR sections cited in this report are lengthy and very detailed. Only those portions of the sections that were deemed relevant for this report's purpose have been included. The full text of the FARs can be found at <http://www.arnet.gov/far/> and should be consulted for further, more complete information.

## Proposal Evaluation

A Source Selection Plan sets out the process that will be used for evaluating offers. For example:

*Each technical evaluation panel member will complete an assessment of each proposal and assign an adjective rating to each of the technical evaluation criteria. The technical panel, as a whole, will then discuss the individual ratings assigned. The adjective ratings will be compared for each of the evaluation criteria. In cases where panel members have divergent adjective value ratings, a discussion of the merits of the offeror's proposal will seek to resolve the major differences.*

*The [panel] will evaluate each proposal strictly on its content and will not assume that performance will include anything not specified in the proposal.... [The panel] will then assign to each evaluation criterion a final adjective consensus rating of exceptional (6), acceptable (4), marginal (2), or unacceptable (0).*

*...When consensus ratings for all proposals have been completed, the technical evaluation panel will present a summary of their evaluation to the... Contracting Officer.*

*Their summary will include:*

- Identification of proposals rejected as being technically unacceptable, and reasons for that determination. (Major weaknesses beyond discussion.)*
- Identification of proposals that meet most minimum requirements, but did not fall into the category of "acceptable", including a list of the major weaknesses for each proposal. These weaknesses may be negotiated to correct proposal deficiencies, at the discretion of the... Contracting Officer.*
- Identification of proposals that were rated as "acceptable" or "exceptional"....*

## The Technical Evaluation Team

FAR Section 15.303 sets the standards for the team that will review the best value offers received and charges the designated contracting officer with ensuring that the evaluation process is conducted responsibly. A "Source Selection Plan" is prepared that identifies the key individuals who will be involved in the evaluation of proposals, past performance reviews/reference checking, negotiations, and source selection. It also addresses the professional responsibilities of the evaluators, the proposal evaluation process, confidentiality requirements, sensitivity of source selection materials, and other relevant information. One or more members of the collaborative group may be included on a technical evaluation team, which may be particularly useful when a team is evaluating factors and subfactors related to benefits to the local community.

Guidelines are provided for assigning ratings. For example:

**EXCEPTIONAL (6):** *The proposal complies with all instructions for submission and includes additional information that indicates consistent high quality performance can be expected from the contractor. One or more items of service or evidence of past experience in this criterion exceeds the acceptable or minimum requirement.*

**ACCEPTABLE (4):** *The proposal complies with all instructions for submission and meets all minimum requirements of service under the proposed contract.*

**MARGINAL (2):** *The proposal complies with all instructions for submission and meets all minimum requirements of services under the contract so as to appear weak in regards to meeting the stated minimum.*

**UNACCEPTABLE (0):** *The proposal does not provide minimum requirements of service and/or fails to comply with instructions regarding submission of the proposal.*

Each technical evaluation factor is assigned an approximate weight. For example:

*Technical Approach (20%)  
Capability and Past Performance (20%)  
Meeting Local and Community Needs (10%)*

Subfactors may be individually weighted as well. Price generally is not considered by a team until the technical ratings are completed.

## Samples of Technical Evaluation Team Guidance

Following is an example of technical team guidance on how to determine both factor and sub-factor ratings. Specific weights (as percentages of the total) are assigned to subfactors.

### *Technical Approach (35%)*

#### 1. Understanding of the extent and nature of work to be performed (5%)

Unacceptable	-Addresses < 90% of all aspects -Addresses < 100% of facets for mandatory project -Addresses < 100% of facets for optional proposed projects
Marginally Acceptable	-Addresses all aspects minimally
Acceptable	-Addresses all aspects thoroughly
Exceeds Acceptability	-Addresses all aspects with thorough specifications

#### 2. Organization, Staffing and Management (10%)

Unacceptable	-Does not address organization, staffing and management
Marginally Acceptable	-Addresses at least 90% of necessary organization, staffing and management considerations
Acceptable	-Addresses 100% of necessary organization, staffing and management considerations
Exceeds Acceptability	-Addresses 100% of necessary organization, staffing and management considerations with additional measures for quality assurance.

#### 3. Reasonable use of appropriate equipment/material and supervision as well as the development of a quality control plan (10%)

Unacceptable	-Does not address equipment/material, supervision or quality control plans
Marginally Acceptable	-Generally costs out equipment/material needs -Supervisory plans not specified -Minimal detail to the quality control plan
Acceptable	-Costs out all material/equipment needs -Specific supervisory plans -Detailed quality control plan
Exceeds Acceptability innovation.	-Meets acceptable criteria plus shows considerations for improved quality and/or

#### 4. Work Schedule (5%)

Unacceptable	-Does not provide work schedule
Marginally Acceptable	-Provides a work schedule outline
Acceptable	-Provides a detailed project work schedule showing sufficient detail to demonstrate the complexity of the project
Exceeds Acceptability delays.	-Meets acceptable criteria plus shows considerations for contingencies regarding inevitable

#### 5. Coordination with the Local Collaborative Group (5%).

Unacceptable	-Does not discuss coordination with the Local Collaborative Group
Marginally Acceptable	-Provides for minimal coordination with the Local Collaborative Group
Acceptable	-Provides a detailed plan for sufficiently involving the Local Collaborative Group in project decisions, giving them say into progress on a monthly basis
Exceeds Acceptability	- Provides a detailed plan for fully involving the Local Collaborative Group in project decisions, giving them say into progress on a weekly basis.

### *Preferential Use of Local Employment Resources (30%)*

Unacceptable	-Uses < 90% of project area, County A, and County B resources
Marginally Acceptable	-Uses 50% project area and County A and 50% County B resources
Acceptable	-Uses 75% project area and County A and 25% County B resources
Exceeds Acceptability	-Uses 75% project area and 25% County A resources.

**Experience of Key Personnel (20%)**

Unacceptable	-No or limited experience in logging or watershed restoration techniques
Marginally Acceptable	-Collective experience in 75% of the work items
Acceptable	-Field representative(s) has experience in all assigned areas of responsibility under the proposal
Exceeds Acceptability	-Field representative(s) has experience in all assigned areas of responsibility under the proposal, plus the workers have similar experience.

**Past Performance of Key Personnel (15%)**

Unacceptable	-No work history provided
Marginally Acceptable	-Work history of all key personnel provided; 50% of referrals are positive
Acceptable	-Work history of all key personnel provided; 75% of referrals are positive
Exceeds Acceptability	-Work history of all key personnel provided; 100% of referrals are positive.

Sometimes weights are given adjectivally, rather than numerically. For instance, Hungry Horse-West Glacier explained to offerors that the following weighting would be used for its DL/service contract.

1. **Capability (Most Important):** Factors relating to capability that will be evaluated and scored are shown below. The sub-factors are listed in descending order of importance  
*CAPABILITY Sub-factors:*
  - (1) Past performance and quality of work on similar projects.
  - (2) Experience on similar projects.
  - (3) Safety compliance
  - (4) Cooperativeness in contract administration requirements.
  - (5) Dependability (equipment and operators)
  - (6) Compliance with contract time....
2. **Technical Approach (Very Important):** All sub-factors are listed in descending order of importance, with sub-factors (1) and (2) being the most important and equal in value.  
*TECHNICAL APPROACH Sub-Factors:*
  - (1) Quality Control Plan
  - (2) Safety Plan
3. **Cost (Very Important):** Cost is approximately equal to capability, but will be a very important factor in the award decision. See Clause M-2 – **BASIS of AWARD**, for discussion of cost and how it is evaluated by the Government in making a best value source selection when compared with capability.

(The FAR gives three options: “All technical factors when combined are approximately equal to price, significantly more important than price, or significantly less than price.”)

The Hungry Horse-West Glacier DL/sale of delivered logs solicitation necessarily uses a different evaluation methodology:

*A “Best Value” criteria will be used to select the purchaser of the products rather than the high bid. Criteria that will be used will include best overall price considering haul distance, mix of products, ease of product manufacture, assurance of ability to pay at least biweekly, flexibility of delivery times, assurances of weight and ticket accountability and timeliness of marking specialty products such as houselogs and power poles.... To obtain the “best value” the Forest may enter into negotiations to clarify and finalize bids....*

## Discussions with Offerors after Receipt of Proposals

FAR 15.306(d) deals with how discussions may be conducted with offerors in the competitive range – “comprised of all of the most highly rated proposals....”

FAR 15.306(d):

*Exchanges with offerors after establishment of the competitive range. [Discussions]...are undertaken with the intent of allowing the offeror to revise its proposal....*

1. *Discussions are tailored to each offeror’s proposal, and must be conducted by the contracting officer with each offeror within the competitive range.*
2. *The primary objective of discussions is to maximize the Government’s ability to obtain best value, based on the requirement and the evaluation factors set forth in the solicitation.*
3. *At a minimum, the contracting officer must...discuss with each offeror still being considered for award, deficiencies, significant weaknesses, and adverse past performance information to which the offeror has not yet had an opportunity to respond. The contracting officer also is encouraged to discuss other aspects of the offeror’s proposal that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposal’s potential for award. However, the contracting officer is not required to discuss every area where the proposal could be improved. The scope and extent of discussions are a matter of contracting officer judgment.*
4. *In discussing other aspects of the proposal, the Government may, in situations where the solicitation stated that evaluation credit would be given for technical solutions exceeding any mandatory minimums, negotiate with offerors for increased performance beyond any mandatory minimums, and the Government may suggest to offerors that have exceeded any mandatory minimums (in ways that are not integral to the design), that their proposals would be more competitive if the excesses were removed and the offered price decreased....*

There are some limits on the discussions. Agency personnel may not ask or do anything that:

1. *favours one offeror over another;*
2. *reveals an offeror’s technical solution or other sensitive material to another offeror;*
3. *reveals an offeror’s price without that offeror’s permission, or*
4. *reveals the names of individuals providing reference information about an offeror’s past performance, or*
5. *provides any source selection information that has previously been unavailable to the public.*

Although discussions are not mandatory, they can prove very helpful in ensuring that the government and the public get the “best value” possible for projects using stewardship contracting. As previously mentioned, writing a technical proposal for service/land management/conservation work (as opposed to simply submitting a price bid) is a new and unfamiliar requirement to many contractors. Sometimes an offeror’s discomfort with “tooting one’s own horn,” leads to a failure to fully catalog his/her training, experience, awards earned, etc. in the written proposal, although careful questioning can draw out the information. An offeror’s tendency towards brevity may lead to a written response that lacks the level of detail that a technical review panel needs. Face-to-face they may be focused, articulate, and impressive when explaining what they propose to do and how they propose to do it, but have difficulty achieving the same level of clarity or completeness in written presentations.

Sometimes a misunderstanding of project requirements, lack of familiarity with terms such as “designation by description” or “designation by prescription” (or the difference between the two), or inexperience with developing “per acre” as opposed to “per 1000 board feet” or “per hour” offers may be discovered and dealt with in a discussion with the Contracting Officer.

Until more experience is acquired in using best value, the “best and final offers” submitted by offerors may be better thought out following discussions with the Contracting Officer than they would without the discussions.



*Equipment adjustments were made during an afternoon break in Hungry Horse to West Glacier Fuels Reductions activities on Flathead National Forest lands immediately adjacent to a number of homes in the wildland-urban interface.*

## Weighing the Tradeoffs and Making a Decision

FAR 15.101 explains the best value continuum this way:

*An agency can obtain best value in negotiated acquisitions by using any one or a combination of source selection approaches. In different types of acquisitions, the relative importance of cost or price may vary. For example, in acquisitions where the requirement is clearly definable and the risk of unsuccessful contract performance is minimal, cost or price may play a dominant role in source selection. The less definitive the requirement, the more development work required, or the greater the performance risk, the more technical or past performance considerations may play a dominant role in source selection.*

The *Hungry Horse-West Glacier* DL/service contract solicitation provided more detail about how technical/cost trade-offs are made:

*Award(s) will be made to the Offeror(s) (1) whose technical rating (i.e., Capability and Technical Approach) is acceptable, and (2) whose technical/price relationships are the most advantageous to the Government. All technical evaluation factors other than cost or price, when combined, are approximately equal to cost or price. The technical/price trade-off will not be based on a spread between the technical scores but rather on what, in the judgment of the Contracting Officer, specific capability advantages are expected and the value of the advantages as compared to price differentials between offers. This means that the award may not necessarily be made to that Offeror submitting the lowest proposed price. The closer the technical ratings (resulting from the evaluations of capability) between Offerors, the greater the importance of price. Conversely, as the difference between technical ratings increases, the importance of price decreases. Thus the Government reserves the right to make a best value source selection that is in the best interest and to the advantage of the Government.*

Ultimately the decision comes down to two questions:

- Are the technical advantages offered in a more costly proposal worth paying extra for?
- How much additional cost is justifiable?

For instance, suppose two or three offerors have essentially the same technical rank, but one has proposed a different, more expensive – but potentially better – way of carrying out the work than did the others. One factor that would probably be considered is the ecological condition of the project area, and the potential for more significant improvement in that condition (a better end result) through the higher-priced proposal. On the other hand, perhaps the costlier proposal would also take much longer to accomplish. That might require the Forest Service to keep personnel (a Contracting Officer's Representative, for instance) on the site for a longer period and perhaps with greater frequency. Those additional agency costs would need to be factored into the decision as well.

The trade-offs considered and how and why the final decision is made must be carefully documented by the contracting officer.



*Logs removed by the service contractor doing this campground improvement project on the Paint Emery Stewardship Project were delivered to the mill which had purchased them “on the stump.”*

# Conclusion

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The success of stewardship contracting depends on more than the use of the individual mechanisms; it requires a commitment to work collaboratively to combine the right mechanisms that fully achieve the multiple objectives of a project. This guidebook should help collaborative groups, agencies, and contractors meet the ecological and community objectives of stewardship contracting projects by fully utilizing best value criteria. Stewardship contracting should be about getting work done on the land in a way that benefits the local community and improves ecological conditions.

We strongly encourage those interested in using these authorities to make use of the many technical assistance providers available, and to contact groups that have successfully implemented stewardship projects. Included in this guide is a list of project contacts, web resources, technical assistance providers, and Forest Service contacts. Learning from your peers and colleagues will ultimately prove most helpful as you move through the whole stewardship contracting process.

Good luck!

# Resources

## Project Contacts:

### **Hungry Horse-West Glacier (fuels project)**

Jimmy DeHerrera, District Ranger  
Flathead National Forest, Hungry Horse Ranger District  
PO Box 190340/89 Hwy 2 E.  
Hungry Horse, MT, 59919  
406-387-3889  
jdeherrera@fs.fed

### **Hungry Hunter:**

Brad Flatten, Timber Sales & Stewardship Contracting Specialist  
Okanogan-Wenatchee National Forest  
1240 S. Second  
Okanogan, WA 98840  
509-826-3006  
lflatten@fs.fed.us

### **Lakeface Lamb**

#### **(AKA Priest Pend Oreille Land Stewardship)**

David Cobb, Supervisory Forester  
Idaho Panhandle National Forest, Sandpoint Ranger District  
32203 Highway 57  
Priest River, ID 83856  
208-443-6854  
dcobb@fs.fed.us

### **Paint Emery**

Marylou Zimmerman, Supervisory Natural Resource Specialist  
Flathead National Forest, Hungry Horse Ranger District  
PO Box 190340  
Hungry Horse, MT 59919  
406-387-3848  
mzimmerman@fs.fed.us

### **Cedar Spoon**

Heidi Trechsel, Forester  
Flathead National Forest, Hungry Horse Ranger District  
PO Box 190340.  
Hungry Horse, MT 59919  
406-387-3806  
htrechsel@fs.fed.us

### **Clearwater**

Tim Love, District Ranger  
Lolo National Forest, Seeley Lake District  
3583 Highway 83  
Seeley Lake, MT 59868  
406-677-3905  
tlove@fs.fed.us

### **Westface Forest Management**

Wise River District  
Beaverhead-Deer Lodge National Forest  
65600 Mt Highway 43  
Wise River, MT 59762  
406-832-3178

### **Yaak Community Stewardship**

Michael Balboni, District Ranger  
Kootenai National Forest, Three Rivers Ranger District,  
1437 N. Highway #2  
Troy, MT 59935  
406-295-4693  
mbalboni@fs.fed.us

## Stewardship Contracting Resource Websites:

Sustainable Northwest — <http://www.sustainablenorthwest.org/programs/psc.php>

Resource Innovations — <http://ri.uoregon.edu/programs/CCE/stewardshipcontracting.html>

Pinchot Institute for Conservation — [http://www.pinchot.org/what\\_we\\_do/sustainable/contracting](http://www.pinchot.org/what_we_do/sustainable/contracting)

Ecosystem Workforce Program — <http://ewp.uoregon.edu/resources.html>

Red Lodge Clearinghouse — <http://www.redlodgclearinghouse.org/>

US Forest Service, Washington Office — <http://www.fs.fed.us/forestmanagement/projects/stewardship/index.shtml>

US Forest Service, Region 6 — <http://www.fs.fed.us/r6/nr/fp/FPWebPage/FP70104A/Stewardship.htm>

**Technical Assistance Providers:****Sustainable Northwest**

620 SW Main Street  
Portland, Oregon 97206  
503-221-6911

Contacts: Maia Enzer, Karen Steer  
menzer@sustainablenorthwest.org  
ksteer@sustainablenorthwest.org

**Flathead Economic Policy Center**

919 Elk Park Rd.  
Columbia Falls, MT 59912  
406-892-8155

Contact: Carol Daly  
cdaly1@centurytel.net

**Resource Innovations**

5247 University of Oregon  
Eugene, OR 97403  
541-346-0661

Contact: Marcus Kauffman  
marcusk@uoregon.edu

**Ecosystem Workforce Program**

5247 University of Oregon  
Eugene, OR 97403-5247  
541-346-4545

Contact: Cassandra Moseley  
cmoseley@darkwing.uoregon.edu

**Watershed Research and Training Center**

PO Box 356  
Hayfork, CA 96041  
530-628-4206

Contact: Nick Goulette  
nickgoulette@hotmail.com

**Montezuma County**

109 West Main, Room 302  
Cortez, CO 81321  
970-565-6061

Contact: Carla Harper  
charper@co.montezuma.co.us

**Pinchot Institute for Conservation**

1616 P Street, NW, Suite 100  
Washington, DC 20036  
202-797-6580

Contact: Naureen Rana  
nrana@pinchot.org

**Forest Service Contacts:**

Michael Daugherty, Natural Resources Specialist  
US Forest Service—Region 6  
503-808-2519  
mdaugherty@fs.fed.us

Michael Giesey, Forester  
Kootenai National Forest  
Three Rivers Ranger District  
406-295-4693  
mgiesey@fs.fed.us

Marianne Klingler, Supervisory Contract Specialist  
Wallowa Whitman National Forest  
541-523-1210  
mklingler@fs.fed.us

Charlie Sells, Assistant Director Forest Management  
US Forest Service—Region 1  
Federal Building  
200 East Broadway  
PO Box 7669  
Missoula, MT 59807  
406-329-3608  
csells@fs.fed.us



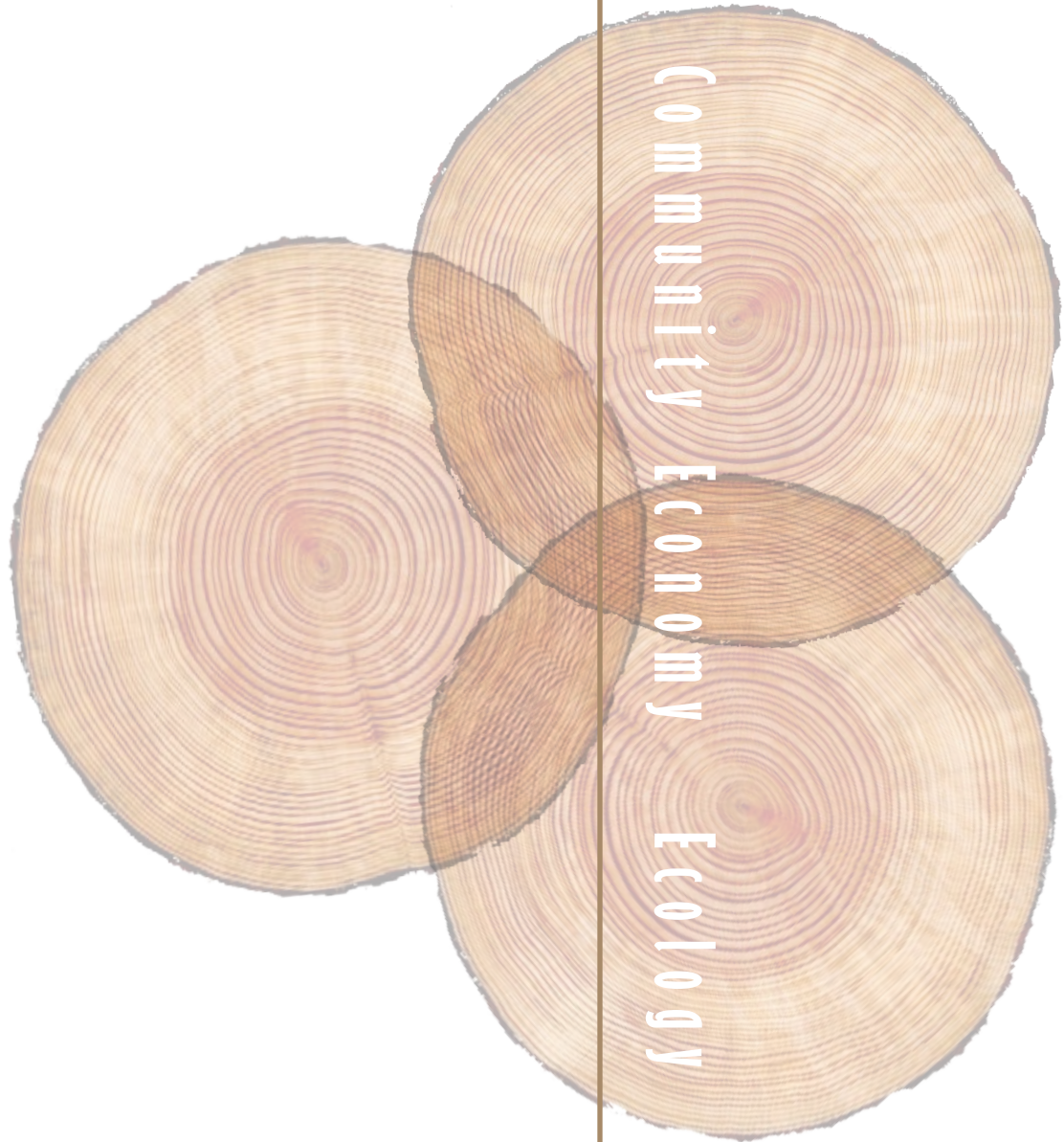
Sustainable Northwest partners with enterprises and communities across the West to build local capacity, find common ground, strengthen self reliance, and pursue projects that are economically viable and environmentally sound. Through our ever-growing network of professionals, community leaders, public officials and others pursuing sustainable efforts and enterprises, we help translate the lessons of local sustainability into public policy and institutional reform. Through publications, conferences, awards, meetings, and workshops Sustainable Northwest provides technical assistance and information about lessons learned by businesses, individuals, community groups, and public agencies successfully implementing sustainability. Sustainable Northwest's partners are proving that sustainable natural resource stewardship is a viable solution for rural economic development and ecosystem management. For more information about our programs visit: [www.sustainablenorthwest.org](http://www.sustainablenorthwest.org)



## **Flathead Economic Policy Center**

Flathead Economic Policy Center is a non-profit corporation based in Columbia Falls, MT. Its focus is community-based stewardship forestry and collaborative problem solving in natural resource-based communities. Currently FEPC facilitates local and regional multiparty monitoring teams for Forest Service stewardship contracting projects in Montana, Idaho, Wyoming, and South Dakota. It also conducts an urban-wildland interface fuels reduction project in Flathead County, MT, and provides a variety of training and technical assistance services for natural resource-related collaborative groups around the country.

# Best Value & Stewardship Contracting Guidebook: Meeting Ecological & Community Objectives



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Policy Center**

919 Elk Park Rd.  
Columbia Falls, MT 59912  
406-892-8155



**SUSTAINABLE  
NORTHWEST**

620 SW Main, Ste. 112  
Portland, OR 97205  
503-221-6911

[www.sustainablenorthwest.org](http://www.sustainablenorthwest.org)