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## **A Non-profit Partner's Perspective: Best Practices to USDA Forest Service Stewardship Agreements**

August 2018

### **History of Contracting Agreements and Contracts**

Contracting authorities were permanently authorized by Congress through the 2014 Farm Bill, providing the USDA Forest Service (USFS) a valuable tool to address resource concerns and the needs of communities. The legislation allows stewardship contracting to be used in projects focused on roads and trails construction, maintenance and obliteration; soil productivity maintenance; habitat and fisheries management; prescribed fires; vegetation removal; watershed restoration; and control of invasive plants (Kittler, B.K.) As summarized by the Pinchot Institute, the goals of Stewardship are to:

1. Enhance the pace, scope and financial feasibility of restoration projects.
2. Harness collaborative engagement in federal lands management to build trust and a social license to accomplish stewardship activities.

### **Stewardship Options: Agreements and Contracts**

Forest Service Stewardship can be accomplished through various contracts and agreements. A type of contract is used when the USFS designs the project, pays for the entire cost of the project and it is competitive. An agreement is used when the project is a joint endeavor with mutual benefits and interests. Agreement partners are state or local (county) governments, nonprofit organizations, or tribes; agreements are not typically competed, there is no profit incentive, and the partner provides cost sharing.

Stewardship agreements can be in form of: Stewardship Agreement for smaller, “stand-alone” projects, Stewardship Agreement – Short Form to accomplish stewardship restoration activities using retained receipts only, without administering a timber sale, and Master Stewardship Agreement with Supplemental Project Agreements (MSA with SPAs) for larger geographic areas which may address a series of projects within that area.

In February 2014, the Sustainable Resources Institute (SRI) entered into a Master Stewardship Agreement with Region 9 of the USDA Forest Service through 2023. This agreement allows SRI to enter into SPAs with any National Forest in Region 9 to exchange goods for services. To do so, SRI purchases and administers USDA Forest Service “goods” timber sale(s) and uses the receipts to accomplish mutually agreed upon “services,” or restoration work. The agreement allows timber sale revenues to be used for restoration work on the National Forest which generated them without the receipts becoming part of the normal Forest Service budgeting process. In addition, this agreement includes the Wyden Authority which allows service work to be accomplished on lands adjacent to the National Forest. This Best Practices Guide is developed from those experiences for use in stewardship agreement development and implementation. The Best Practice Guide and an excerpt from a presentation given in 2017 on SRI’s Stewardship Agreements can be downloaded at: [www.sustainableinc.org/projects](http://www.sustainableinc.org/projects)



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## **Stewardship Agreement**

The Master Stewardship Agreement was developed in an effort to get more wood from the National Forest on the market. In 2014, when the SRI-Region 9 MSA was executed, there was 330,000,000 board feet of NEPA-approved timber on the Chequamegon-Nicolet National Forest (CNNF) that had not been established as sales due to limited USFS resources. Industry demand for addressing this backlogged timber on the National Forest pushed the Wisconsin Economic Development Corporation to contract SRI's services. SRI worked with state and USFS staff to develop the MSA with the goal of incorporating timber sale establishment in SPAs.

Stewardship agreement development is done in collaboration between the partner and the USFS. A project proposal is developed to identify the goods timber sale and restoration activities, or service work, to be included in the SPA. The partner provides a technical proposal outlining the methodology that will be employed to accomplish the SPA projects. The partner will also provide information on partner costs and match funding for implementation of the SPA. The stewardship agreement including the technical proposal, financial plan, and project specifications is finalized and executed.

In 2014 SRI signed a SPA with the CNNF in Wisconsin to purchase and administer a 224 acre "goods" timber sale and conduct service work including: 735 acres of timber marking, road reconstruction, site prep for regeneration, canopy gap restoration, a culvert replacement and ATV Trail reconstruction. This SPA was completed in 2016. SRI executed a second SPA with the CNNF in 2015 to purchase two timber sales totaling over 550 acres. Restoration activities included 6,626 acres of timber marking accomplished over three years, site prep for regeneration and planting, tree planting, fireline construction, boat launch restoration engineering, and repair of a municipal dam located on property adjacent to the National Forest. This SPA will be completed in Fall of 2018.

In 2017, SRI executed a SPA with the Ottawa National Forest to administer a 344-acre goods timber sale and conduct 989 acres of tree marking, road decommissioning, boat landing rehabilitation, equestrian trail reconstruction, and river crossing rehabilitation. The timber sale harvest and tree marking projects are currently underway; it's anticipated that this SPA will be completed in 2020.

## **Lessons Learned**

- Stewardship agreements can become less collaborative if the project proposal is developed without stakeholder input.
- Timing of cash flow from deposits and earned service credits can be out of sync with partner's expenses.
- Every forest and every district have different processes which can be confusing to the partner.
- Not all USFS staff have the same information regarding processes, specific authorities, etc. which can result in conflicting information being provided to the partner.
- Miscommunication to and from the partners' employees and/or contractors and the USFS staff and the partner can occur.



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- Unnecessary administrative costs can be incurred when incomplete project specifications are provided.

### **Best Practices**

- Community engagement in the development of the SPA will help accomplish Stewardship goals and enhance benefits. Development of a steering committee or other collaborative group jointly led by the partner and the USFS is recommended to assist in Agreement development. Membership should include a broad range of National Forest System stakeholders including; USFS, the Stewardship Partner, industry, state agency, municipal staff, citizenry such as conservation associations, and any other pertinent NFS users. Engaging stakeholders early in the process will help identify and prioritize projects important to NFS users and provide an opportunity to leverage private funding as project match.
- The partner should have an understanding of the USFS financial system, adequate funding should be included to administer each project in the SPA, and projects should be bid according to stewardship credit availability.
- Effective communication is imperative for successful development and implementation of the SPA. To that end, the SPA should clearly identify the administrative and technical points of contact for the SPA and for each project included in the SPA. In addition, building relationships between the USFS and partner staff, both field and administrative, is imperative to successful project development and implementation. This can be accomplished early through in-person meetings during agreement development and throughout project implementation.
- Information regarding USFS and partner processes, including communication processes, should be discussed in pre-work meetings and followed up with in writing to ensure that all USFS and partner are fully informed.
- Projects included in the SPA should be well defined and include all technical specifications necessary for partner employees/contractors to fully understand project requirements and to be able to make an accurate bid. Considerations for the bid should include specification and materials details and maps to the scale necessary to make pre-bid site visits. Project specifications should be reviewed for administrative and technical accuracy and completeness by both the partner and appropriate USFS staff prior to assigning a value or being put out for contractor bids.
- USFS staff reported in the Pinchot Institute's Case Studies of Public Engagement in Stewardship Contracting (2018) that the most challenging aspect of implementing stewardship agreements can be for their own staff to rise up to the learning curve and get comfortable with stewardship agreements. For stewardship agreements to be executed and implemented efficiently, the USFS staff should have a united front.
- Partners can provide valuable information for project specifications including alternate materials and/or sources, or alternate design methods, etc. The USFS can capitalize on partners' expertise by inviting and valuing their input (Pinchot Institute, 2018).



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## Considerations for Minnesota

The National Forests in Minnesota might use two options to employ Stewardship tools. The first would be an MSA with a municipality (county) which would be specific to the partner county. The goods timber sale and restoration work would occur in a county that has National Forest land in it. This type of agreement provides several advantages to the USFS and the partner county including:

- Accomplishing restoration work that supports the forest industry (timber sale establishment), tourism (hiking trails, wildlife habitat, boat landings, etc.), and infrastructure (forest service road improvement, culvert replacement) within the county.
- Work with county personnel to accomplish some or all of the restoration work. Partner counties likely have skilled staff and the equipment necessary to accomplish service work already on hand through their highway departments, forestry departments, etc. The county can be reimbursed for their expenses through the timber sale income and a portion of their commitment can provide match funding.
- Development of a closer working relationships with USFS staff that could provide other long-term benefits.

The second option would be an MSA with a Minnesota-based nonprofit organization. This type of agreement could also be specific in that its projects could be targeted at accomplishing priority activities of the nonprofit entity such as those organizations who focus on specific species' habitat or recreational trails, etc. that occur on the National Forest. Alternatively, the agreement could be broader in scope and in partnership with a non-profit that incorporates diverse stakeholder input into the agreement, thereby accomplishing a wide range of service work throughout the National Forest.

## References

*Case Studies of Public Engagement in Stewardship Contracting*. FY2017 Programmatic Monitoring Report to the USDA Forest Service. Pinchot Institute for Conservation. 2018.

Kittler, B. K. Pinchot Institute. Retrieved from URL 6/15/18. <http://www.pinchot.org/doc/495>