

# USFS and CSFS Operating Procedures for Conducting Timber Sales Using Good Neighbor Authorities (GNA)

I. The United States Forest Service (USFS) and Colorado State Forest Service (CSFS) identify a site or area that could be treated most efficiently as a Good Neighbor Timber Sale project. Agree upon and assign a sale name to the project area. A Good Neighbor Project Task Order for the project will be prepared and approved by both USFS and CSFS/Colorado State University (CSU). NEPA for Timber Sales will be completed by Forest Service (USFS) personnel. USFS will also provide or approve silvicultural prescriptions and marking guides to be applied on the National Forest System (NFS) lands. Such prescriptions and guides should be compatible and/or compliment treatments being applied on adjoining non-NFS lands.

## II. Project Design and Layout

A. Timber sale design and layout may be the responsibility of either the USFS or CSFS. Specify in the GNA Project Task Order which agency will be responsible for project design and layout. CSFS and USFS will agree on the approximate project boundaries. Include this by way of description or map in the GNA Project Task Order. At this point, the sale should be started in Timber Information Manager (TIM) by the USFS.

### Project Layout Procedures:

1. Flag external boundaries of the entire project; adjust and realign until finalized.
2. Flag the boundary between private and NFS lands; adjust and realign until finalized. (**Note:** For Good Neighbor Timber Sales it is not required to survey the boundary between the cooperating private and NFS lands. A GPS or well-run compass line is adequate.)
3. If applicable, flag any interior unit or block boundaries; adjust and realign until finalized.
4. If applicable, flag any special treatment areas, protection areas, exclusion zones, openings or clear cuts, and the like; adjust and realign until finalized.

B. Traverse all components of the final project area as laid out, above. Develop a complete project area map, with a listing of specific acreage for each component as necessary, broken down by ownership.

1. Develop a table that describes the various components of the sale listed by ownership and acreage.
  2. Maintain records of all traverse data and reports (GPS or azimuth-distance) as part of the project file.
- C. CSFS and USFS will agree how project boundaries should be marked. Paint all project boundary lines using the appropriate paint color(s) as shown in Table 1. (See Section III, Timber Marking)

### **III. Timber Marking**

- A. Timber marking may be completed by either the USFS or CSFS. Specify in the GNA Project Task Order which agency will be responsible for timber marking.
1. Small projects (less than 25 CCF and/or less than \$5,000 in value) involving only a private landowner and the Forest Service may utilize standard tree marking paint.
  2. Larger scale projects with total volume greater than 25 CCF or values greater than \$5,000 should be marked with USFS-supplied tracer paint.
- B. The primary methods for designating timber to be cut include:
1. Marking the trees to be cut (take tree cut), or to be left (leave tree cut), with paint containing registered tracer(s), as may be necessary.
  2. Marking the boundaries around the area in which the cutting takes place, (clear cut or patch cut).
- C. Use a paint mark at or above DBH and another mark below stump height for each cut tree, leave tree, or boundary tree to be marked as agreed between CSFS and USFS.
- D. Use the appropriate paint color(s) as shown in Table 1. Record colors used for timber marking and each sale component for inclusion in the timber sale contract. Record tracer paint used to mark the sale by lot numbers and cutting units.
- E. CSFS will maintain appropriate accountability for tracer paint as directed by the USFS District Office.

### **IV. Timber Cruising and Volume Determination**

- A. Timber Cruising and Volume Determination may be the responsibility of either the USFS or CSFS. Specify in the GNA Project Task Order which agency will be responsible for timber cruising and volume determination. If the cruise is completed by CSFS, then CSFS and USFS Forester will work together to enter the data into the USFS approved program.

B. Determine sale volumes using accepted methods of sampling including the following:

1. A sample of trees marked for removal during leave-tree marking
2. Variable plot cruising
3. Adhere to sampling error standards as appropriate and as described in Exhibit A. Cruises expanded by acreage must be traversed with GPS and adhere to the methods as described in Exhibit A.
4. Maintain sufficient records to provide an audit trail of how the sale contract volume was derived: from cruise plan to the final calculation of net volume entered in the timber sale contract. At a minimum, maintain the following information:
  - a. The original cruise design, including all changes to the original plan. Include the name and signature of the person who prepared the plan or changes.
  - b. Cruise implementation notes that indicate what was actually done on the ground, such as: maps, tallies, paint colors actually used, and any deviations from the cruise design.
  - c. Cruise reports from cruise software.
  - d. Work sheets that document any adjustments made to the volume shown on the cruise reports.
  - e. Traverse data and reports (GPS or azimuth-distance).

C. Determine and record volumes by ownership

1. Develop a table that lists volumes by the various sale units, blocks or other components; and by ownership.
2. Develop a table that lists total volume by ownership.

**V. Utilization Standards** - Utilize Region 2's Utilization Standards for the project, See Table 2.

## **VI. Appraisals**

- A. Appraisals will be completed by the USFS using approved USFS appraisal procedures. Pass on results to CSFS for inclusion in their contract.
1. CSFS will sell the timber at the appraised rate determined by the Forest Service. In some cases products can be sold at standard rates, or minimum

rates as determined by the Forest Service. CSFS will obtain updated appraisal and pricing information from the USFS District Ranger's Office.

2. National Forest System lands within the project area will be setup as separate payment units so that payments and special requirements can be more easily administered.

**VII. Contract Preparation** - Prepare Timber Sale contract using CSFS standard contract form. Include the following required clauses:

A. **Product Identification** - This contract is subject to the Forest Resources Conservation and Shortage Relief Act of 1990. (Act) (16 U.S.C. 620 et seq.) Except for species determined to be surplus, unprocessed logs originating from federal lands west of the 100th meridian, shall not be exported from the United States nor used in direct or indirect substitution for unprocessed logs exported from private lands by the purchaser or any person as defined in the Act. (16 U.S.C. 620e). Prior to delivering such unprocessed federal logs to another party, the Purchaser shall require each buyer, exchangee, or recipient to execute the acceptable agreement which shall: (a) identify the Federal origin of the logs, (b) specify domestic processing for the logs involved, c) require the execution of such agreements between the parties to any subsequent transactions involving said logs, (d) require that all hammer brands and/or yellow paint must remain on the logs until they are either legally exported or domestically processed whichever is applicable, and (e) otherwise comply with the requirements of the Act. (16 U.S.C. 620d).

B. **Statutory Compliance** - Purchaser agrees to conduct operations under this contract and other related business activities in compliance with Federal, State, and local statues, standards, orders, or other regulations.

C. **Other** - Any Forest Service provision for paint branding for timber removed from the sale of timber on National Forest System lands will be included in the contract for the specific payment unit, block unit or other sale component.

D. USFS will provide to the CSFS Forester any other information and/or wording necessary for inclusion in the sale contract to ensure compliance with NEPA document and USFS contracting procedures.

**VIII.** CSFS Forester will prepare an initial "Good Neighbor Timber Sale Check List." Complete those items required of CSFS. See Exhibit B. The CSFS Forester will also work with the USFS Pre-sale Forester to ensure the following items are completed:

A. A STARS and/or TEA number will be obtained from the Timber Sale Accounting Center (TSAC) of the North and South USFS Timber Zones. Submit Checklist to appropriate TSAC, with copy to project contact at local USFS District:

1. Mr. \_\_\_\_\_ Phone:

North Zone TSAC                      Fax:  
US Forest Service                      Email:  
2468 Jackson Street  
Laramie, Wyoming 82070

2. Ms. \_\_\_\_\_ Phone:

South Zone TSAC                      Fax:  
US Forest Service                      Email:  
2250 Highway 50  
Delta, Colorado 81401

B. A USFS Forester is responsible for entering Timber Sale into TIM. The following information is required:

1. The Purchaser is "Colorado State Forest Service"
2. Use the address line with the name of the "Third Party" in it for reference for USFS and CSFS. ("Third Party" is the purchase who bought the sale from CSFS).
3. Signatures are not needed on the TIM contract. The GNA Project Task Order with signatures will be referenced as the source document and the USFS authority.
4. The USFS will use contract form 2400-4 for entering Good Neighbor agreement timber sales into TIM.
5. USFS Forester is responsible for completing necessary BD, KV, SSF and/or road maintenance plans.
6. The USFS Forester will maintain a presale folder with appropriate documentation.
7. USFS will issue load tickets and a log brand to CSFS for the timber sale, as may be necessary.
8. CSFS advertises the sale, conducts the Show-Me Trip, collects and opens bids, awards, and signs contracts, collects any deposits, bonds or other payments due at contract signing. CSFS Forester shares any and all necessary information with USFS District for data input into TIM to identify purchaser, bid rate per timber species, etc. Assign a contract number in TIM. *(To ensure accuracy and tracking purposes, use this*

*contract number, the Sale Name, and the CSFS project number in all communications with the USFS.)*

9. TSAC picks up the sale once the contract number is assigned and transmits the data to TSA generating the original synopsis.
10. CSFS Forester shares the sale award date with the USFS Ranger District and USFS Timber Contracting Officer (CO); or sends award information to TSAC who then enters the award in TIM and TSAC transmits the data to TSA generating a 2<sup>nd</sup> synopsis.
11. TSAC creates a bill in FTRS for the portion of National Forest timber value represented in the invoice to CSFS. The bill is sent to the CSFS State Office at CSU for payment as specified below:

Ms. \_\_\_\_\_

Accounting Technician III

Administrative Services

Colorado State Forest Service

Colorado State University

Foothills 5060 Campus Delivery

Fort Collins, CO 80523-5060

Phone:

Fax:

Email:

12. For any required deposits, bonds or other payments collected by CSFS, above:
  - Performance Bonds and Damage Deposits - Complete a CSFS invoice and deposit to the District's "39" Account using the object code of 2060.
  - Payments for timber - Complete a CSFS invoice and deposit the USFS portion of the payment to Account 1931500-4380-0640.
    - Send a courtesy copy of the CSFS invoice to \_\_\_\_\_ at the CSFS State Office and to the USFS Zone TSAC.

- All timber receipts collected from harvest activities on National Forest System lands will be dispersed to the USFS Forest Service on no less than a quarterly basis.

i. The Zone TSAC will invoice CSFS at their State Office; attention:

ii. \_\_\_\_\_ process payment(s).

iii. Payment of the invoice is shown on a TSA statement when the money clears lockbox; USFS CO is notified of bill payment.

13. CSFS Forester sends information to USFS CO in the form of quarterly report, inspection reports, correspondence or monthly activity reports for active sales. The information in monthly activity reports may include when the sale unit is opened, volume removed from the sale during the month, additional volume and invoice for bill for additional volume, or sale is closed and this information is sent to TSAC and USFS CO. The TSA generates an additional synopsis of sale information and/or monthly statement of account whenever new data is entered. Data creating a synopsis could include one or more of the following; extension of termination date, additional volume, unit release date, unit cut date, unit accept date or date of contract closure. A monthly statement will be created when one or more of the following occurs during the reporting month; payment is received, volume reported as removed, additional volume, unit reported released, cut or accepted, contract closure.
14. When volume is reported as removed, TSA charges the volume by rate and subtracts the amount charged from the unencumbered cash balance on the sale. At the same time, TSA will divide the amount charged by percent to NFF, KV or SSF according to signed KV or SSF plans for the individual contract. Associated charges for slash disposal or road maintenance/rock replacement will be charged as volume is removed. The amount of volume removed in a month and relating charges will be shown on a statement of account for that month. Note: TSA closes monthly business on the 3<sup>rd</sup> working day of each month and generates statements of account around the 15<sup>th</sup> of a month.
15. Copies of TSA output are mailed to the CSFS Forester for verification and signature, forwarded to the USFS CO for verification and signature, and then forwarded to TSAC.
16. A copy of each TSA output is kept in individual sale folders at the TSAC Zones.

17. Update the “Good Neighbor Timber Sale Checklist” as necessary at the completion of these steps.

*(Note: The above responsibilities may be delegated to other US Forest Service personnel (i.e. Pre-sale Forester), but the USFS District Program Manager must ensure that all steps are completed.)*

#### **IX. Timber Sale Administration**

**A.** CSFS is responsible for Timber Sale Administration on all lands within the project area. USFS Timber Sale Administrators may provide guidance and assistance to CSFS as needed. CSFS will keep the USFS District Ranger informed and provide periodic reports to the Forest Service throughout the operation of the project.

**B.** Conduct a pre-work meeting with the Contractor. Make notes of all items covered in this pre-work meeting and retain them as part of the project records. **(Note: The local USFS District may request that you complete a Timber Sale Pre-Work Meeting Form. See Exhibit C.)**

**C.** Perform standard project administration. Maintain written records of each project administration check, phone calls and any notes as part of the project record.

**D.** Update Good Neighbor Timber Sale Checklist as needed and distribute as described above.

**E.** Upon completion of project, return any unused portion of Performance Bonds and Damage Deposits to purchaser. Complete a CSFS #813 with appropriate information and send to CSFS State Office to transfer these funds to Purchaser.

**F.** A final inspection will be conducted upon completion of the work between local USFS contact and CSFS project administrator. Utilize adaptive management philosophy to improve future projects. Document results of final review as part of project file.

#### **X. Additional Reporting**

**A.** The only reporting requirements for Good Neighbor projects actually listed in the master agreement and operating procedures is: **“Complete field forms or reports as requested by the local Forest Service District.”**

**B.** Requests for various reports and their complexity will vary widely between the numerous USFS Districts and forests. Be sure to include a discussion about specific reporting requirements for the project in the Task Order. Such reporting may involve significant administrative time. The time and effort for preparing reports should be cost-out fully and included in the reimbursement from USFS to CSFS as part of the project.



**C.** Due to time, effort and cost of reporting, requests for reports should be evaluated based upon actual *“need to have; not nice to have.”*

**D.** Salida District is requested to prepare a monthly “Volume Removal Report.” A sample of this report is provided, see Table 3.

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## Glossary of Terms

**BD – Brush Disposal Deposit.** Brush disposal deposits are used by the Forest Service to dispose of logging slash created by the harvest of forest products. Contractors are required to pay the USFS the amount of the BD deposit specified in the contract. BD deposits are paid in addition to payments for timber.

**CO – Contracting Officer.** The Contracting Officer is the qualified individual who is delegated the authority to dispose of timber and award and administer Forest Service timber sale and stewardship contracts.

**KV – Knutson Vandenburg Funds.** Under some circumstances, the USFS is authorized by law to keep a portion of the money realized from the sale of products and deposit it into a Knutson Vandenburg (KV) fund. Those KV funds can then be used by the Forest Service to pay for sale area improvement work such as reforestation costs. For example, if a contractor bids \$6 per CCF for timber and the KV rate is 0.50 per CCF, the contractor pays the USFS \$6 for each CCF of timber removed and the USFS is authorized to put \$0.50 of that into a KV fund for sale improvement work. The remaining \$5.50 per CCF is deposited into the US Treasury.

**Lockbox -** A collection and processing service that collects payments from a dedicated postal box to which the Forest Service directs its timber sale purchasers to send payment.

**NEPA – National Environmental Policy Act (NEPA).** A United States environmental law that was signed on January 1, 1970. The law established a national policy promoting the enhancement of the environment and also established the President's Council on Environmental Quality (CEQ). NEPA's most significant effect was to set up procedural requirements for all federal government agencies to prepare Environmental Assessments (EA) and Environmental Impact Statements (EIS). EAs and EISs contain statements of the environmental effects of proposed federal agency actions. NEPA's procedural requirements apply to all federal agencies in the executive branch. A NEPA document must be prepared and signed before ground disturbing activities can proceed on Forest Service lands.

**SSF – Salvage Sale Funds.** Under some circumstances, the USFS is authorized by law to keep a portion of the money realized from the sale of products and deposit it into a Salvage Sale Fund (SSF). Those SSF funds can then be used by the Forest Service to prepare and offer other salvage timber for sale.

**STARS – Sale Tracking and Reporting System.** One of several tracking and reporting systems the USFS has been required to use. A 5 digit STARS number is still used to identify and track some sale information.

**TEA Number** – The sale number assigned to a particular contract by the Transaction Evidence Appraisal (TEA) system. The TEA number is used to track some of the sale information

**TIM – Timber Information Manager.** A Forest Service computerized program for the preparation of Forest Service timber sale contracts and for reporting timber sale accomplishment information.

**TSA – Timber Sale Accounting.** The Forest Service process for billing, collecting, processing, and accounting for funds generated by the sale of forest products.

**TSAC – Timber Sale Accounting Center.** The zoned location of Forest Service employees responsible for billing, collecting, processing, and accounting for funds generated by the sale of forest products. The South Zone TSAC is located in Delta, Colorado and does the timber sale accounting for the Medicine Bow-Routt NF, the White River NF, and the Arapahoe-Roosevelt NF. The North Zone TSAC is located in Laramie, Wyoming and does the timber sale accounting for the Grand Mesa-Gunnison-Uncompahgre NFs, the San Juan NF, the Rio Grande NF and the Pike-San Isabel NF.

**2400-4 – Forest Products Sale Contract Form FS-2400-4.** Forest Service contract form for the sale of timber products. Used for some pre-measured sales (not scaled). Other contract forms the Forest service uses to dispose of forest products include the FS-2400-6(T) and FS-2400-3(T).

# TABLES

# EXHIBITS