Guidelines and Procedures for FIA Funded Silviculture Activities

April 1, 2004

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Introduction

Forest Investment Account (FIA) funded silviculture activities are delivered by recipients under contract with PriceWaterhouseCoopers (PwC). Recipients are expected to carry out the work and meet Ministry of Forests standards. Standards are detailed in the FIA Land Base Standards and applicable prescriptions . In addition to the FIA standards documents, recipients need to be aware of the following standard operating guidelines and procedures that apply to FIA work.

Cost Caps

Cost caps indicate the recommended maximum dollar amounts for treatments. They can prevent the initiation of work that is expensive and overpriced. They do not prevent an overpriced treatment that is below the cost cap.

Cost caps may have the undesirable effect of influencing the work to keep the cost under the cost cap (for example, a prescription could be changed from pruning every tree to pruning some of the trees, a practice generally not encouraged by the ministry). Cost caps are not intended to influence or determine the treatment or prescription. The cost cap should be used as a guide to what cost is considered a reasonable maximum.

Where costs are proposed to be higher than a cost cap, a justifying rationale must be provided in the project plan submission to the FIA Administrator.

Examples of acceptable rationales would be:

- a treatment being a high priority (supported by the silviculture strategy) and having a good return on investment; or
- a lower priority treatment or a treatment exceeding a cost cap is combined with other work scheduled in the area where access or other site conditions make it logistically appropriate.

In both of the above examples the average cost of treatment over multiple areas should be less than the cost cap.

Where they exist, cost caps for specific activities are stated in the stand establishment and treatment component page of the Ministry of Forests FIA website.

Value for Money

Value for money can be shown through comparison to other tendered work carried out by the Ministry of Forests or licensees in the area. Where there are no valid comparisons, independent estimates for the work should be obtained. These estimates should be paid for and can be used in negotiations with the preferred contractor. Contracts should not be awarded where the preferred contractor exceeds the estimates by more than 10%, unless an appropriate third party or the recipient covers the extra cost**. FIA money must not be used to cover any amount that exceeds 10% of the cost estimate without approval in writing from the FIA Administrator.**

[Note: The above does not over-ride standard tendering rules for FIA as specified by the FIA Administrator.]

Treatment Priorities

When prioritizing areas for treatment the decision process below should be followed:

1. Select those treatments that are highest priority, for example, treatments:

(a) indicated by a management unit's Strategic Plans to be highest priority (typically those that contribute to maintaining current harvest levels and minimizing interim shortfalls in timber supply);
(b) that follow through on and protect existing silvicultural investments;
(c) on areas having a high public expectation for treatment;
(d) that protect second-growth forests from insect epidemics or disease;
(e) that contribute to the continuous supply of habitat for red and blue listed wildlife species and regionally significant wildlife.

2. From amongst the highest priority treatments, choose those that provide the best return on investment, determined by comparing net gain or benefits with total cost (recognizing that not all high priority treatments lend themselves to this kind of evaluation).

3. Lastly, check that treatment cost is equal to or less than the relevant cost cap.

Strategic Plans

Silvicultural activities within a management unit (timber supply area or tree farm licence) must be guided by a strategic plan. There are several forms of strategic plan that may serve this purpose, either in existence or under development, as follows.

- Every management unit in British Columbia currently has a silviculture strategy that contains programs of silvicultural actions required to achieve desired objectives.
- The *Forest and Range Practices Act* requires the development of a forest stewardship plan for every management unit by April 1, 2005.
- A sustainable forest management plan or a land-base investment rationale is required for FIA investments beginning with the 2003/04 fiscal year.

The latter two planning requirements will presumably either directly incorporate the silviculture strategies or indirectly incorporate them through reference. **In any event, project plans submitted to the FIA Administrator must indicate how the proposed work is in keeping with the strategic plan for the management unit.**

Development of a silviculture strategy falls under the Strategic Resource Planning Component of the Land Base Activity Program. See Silviculture Strategies (Type II) for more information.

Treatment Plans and Work Plans

The *Forest and Range Practices Act* does not require stand management prescriptions for stand tending activities or silviculture prescriptions for backlog areas. **FIA-funded silviculture activities are to be guided by treatment plans and work plans signed by a registered professional forester.** Treatment plans specify the overall objectives for individual sites (including stocking standards where appropriate) and the series of treatments needed to attain them. Work plans are treatment-specific plans (e.g., a work plan for site preparation, a work plan for planting, etc.). If all necessary specifications are in a treatment plan, a work plan is not required.

Existing stand management prescriptions or silviculture treatment prescriptions (FS770) are both acceptable as treatment plans for stand tending treatments, provided an RPF confirms the prescription is still valid. Similarly, existing silviculture prescriptions confirmed by an RPF can be used as treatment plans for initiating treatments under the backlog reforestation or current fire and pest activity areas.

The FIA General Standards – FS 1001 contain the general standards for treatment plans and work plans. Individual FIA activity standards documents contain additional requirements that must go in a work plan if they are not already specified in a treatment plan.

Seedling Sowing

The following replaces information on seedling sowing in the "Planting Activity" section of the PWC September 3rd 2002 FIA Update.

Sowing requests for next year's planting projects can be submitted to the FIA Administrator as a project plan under the current year's planting activity. Such project plans must include information on the proposed planting projects on which the seedlings will be used (e.g., site location, timing); and, indicate how the planting will be consistent with the management unit's Strategic Plans.

The total value of sowing project plans should be in keeping with expectations for planting funding under future FIA allocations. Planting funding must be a high priority in investment schedules for the years for which seed has been sown.

To ensure the correct stock is ordered, treatment plans for the areas to be planted are preferred to be in effect at the time of sowing, but are not required. Only good quality seed that meets the seed transfer guidelines and only nurseries approved by the Ministry of Forests may be used.

See Payment below for information on recovering seed and sowing costs. The Recipient is responsible for stock adjudication and resolving related issues.

Inspection and Reporting

All FIA funded silviculture activities must be inspected for performance quality. Inspection requirements are in the activity-specific FIA standards. General inspection guidelines are available for those activities without a formal inspection system (planting and spacing have formal inspection systems). See the different activity sections of the FIA landbase website for applicable inspection systems and guidelines.

This year the accomplishment reporting for FIA should be done on the FS708B http://www.for.gov.bc.ca/isb/forms/lib/stubs/fs708Binfo.htm and where inventory information has changed the FS708C must also be submitted with a map. http://www.for.gov.bc.ca/isb/forms/lib/stubs/fs708Cinfo.htm . Recipients must submit the electronic reports with a map attached (scanned jpg, tiff or pdf file). Large e-mail attachments may be rejected if the file size is too large. File size should be kept as small as possible to improve efficiency of data transfer. FIA Mapping Standards can be found on the MoF ftp server at the following address: http://www.for.gov.bc.ca/ftp/HFP/external/!publish/FIA_Documents/Standards/FIA_mapping_standards.pdf The FS708B and 708C form uses SHANA Informed Filler technology for internet-based electronic data entry and submission. When complete the FS708 form is submitted electronically by clicking the SEND button on the SHANA form. A Guide to SHANA forms is available on the MoF forms index http://www.for.gov.bc.ca/isb/forms/lib/stubs/fs708Binfo.htm. Electronically submitted accomplishment data will be entered into RESULTS through a centralized facility. Forest district staff will not do any data entry but may monitor entries for accuracy.

Alternatively, data may be submitted electronically submitted through ESF to RESULTS http://www.for.gov.bc.ca/his/results/ .

The information on the form must follow FS708 Guidelines. Recipients must ensure that data on the FS 708 forms is accurate and completed to standards. Improperly completed forms will be returned for correction and this may delay final project payment.

Payment

FIA payments are processed by the FIA Administrator. Unless otherwise specified in an approved project plan, payment will be as follows.

Seed and Seedlings

1. Seed cost claims must not exceed the costs posted published by the Ministry of Forests at http://www.for.gov.bc.ca/nursery/headqtrs/Seed_Cost.htm.

2. Seedling cost claims must not exceed the Commercial Equivalent Rates published by the Ministry of Forests at http://www.for.gov.bc.ca/nursery/headqtrs/ComEquiv2002.htm. These rates will also be the basis for approved trades of industry stock to FIA.
3. Seedling shipping and storage cost claims must not exceed the Seedling Storage and Transport Costs published by the Ministry of Forests at http://www.for.gov.bc.ca/nursery/headqtrs/storage_transport.htm.
4. The licensee must submit a proposed payment schedule with the sowing project plan. The payment schedule should reflect invoicing arrangements with the nursery and must contain a holdback to ensure that a viable high quality crop is delivered to the licensee for planting. The recommended holdback is 40%.
5. Costs claimed should reflect actual prices charged by nurseries and related service providers. Documentation to substantiate claims for seed, seedling, seedling storage and seedling shipping costs must be retained on file for a period of not less than 5 years and must be produced upon request of the Administrator or the Ministry of Forests.

Surveys, Fertilization, and Aerial and Ground Foliar Herbicide Application Activities

Payment will be 100% for all areas declared satisfactorily surveyed or treated. No payment is to be made for areas not satisfactorily surveyed or treated.

All Other Silviculture Activities

Payment for all silviculture activities not listed above must be based on the following standard Ministry of Forests' payment percentage formula which decreases payment with decreasing performance quality below 92.6%:

$$\text{Payment \%} = (\text{PQ \%} \times 1.08) - \frac{[100 - (\text{PQ \%} \times 1.08)]^2}{8}$$

Where PQ % is the calculated performance quality percentage.

For planting, in addition to the payment percentage adjustment any trees wasted or unaccounted for must not be billed in a recipient cost claim. Other standard planting contract charges (e.g., poor stock handling, excess trees, etc.) should be incorporated in recipient contracts with planting contractors and if incurred by the planting contractor should not be billed in a cost claim.