

GOOD NEIGHBOR AUTHORITY GUIDANCE



Contents

BACKGROUND	1
SUMMARY OF GOOD NEIGHBOR PROVISIONS	1
ROLES & RESPONSIBILITIES.....	2
SIMPLIFIED PROCESS NARRATIVE	6
SALE OF FOREST PRODUCTS UNDER GNA	7
TRACKING & REPORTING	8
Exhibit 1.....	9
Agricultural Act of 2014.....	9
Exhibit 2.....	11
Good Neighbor Project Approval Checklist.....	11
Exhibit 3.....	12
Good Neighbor Project Design Matrix	12
Exhibit 4.....	13
Sample Appraisal	13
Exhibit 5.....	14
Sample Timber Marking Specification.....	14
Exhibit 6.....	15
Sample Cruise Specifications	15
Exhibit 7.....	16
Consolidated Appropriations Act of 2014.....	16
Exhibit 8.....	17
Good Neighbor Agreement Template.....	17
Exhibit 9.....	21
Minimum Clauses	21
Exhibit 10.....	26
Good Neighbor GAO Report 2009.....	26

BACKGROUND

Beginning in 1998, the U.S. Forest Service (USFS) and the Colorado State Forest Service (CSFS) began exploring ways to implement forest health and restoration treatments across ownership boundaries more efficiently. They determined it would be beneficial in certain cases for foresters employed with the State of Colorado through the CSFS to provide forestry services or serve as agents of the USFS for the purpose of implementing projects on federal land adjacent to state, local, or private lands.

In 2000, Congress authorized the USFS to initiate the “Good Neighbor” pilot program (Public Law 106-291 Sec. 331 Oct. 11, 2000). The legislation authorized the USFS to permit CSFS to plan and implement “treatment of insect infested trees, reduction of hazardous fuels, and other activities to restore or improve watersheds or fish and wildlife habitat” on National Forest land when conducting similar activities on adjacent state or private land. The law authorized the state to act as an agent of the Federal Government to conduct these projects directly or enter into subcontracts using the respective state’s contracting procedures. Although the projects were implemented by the state, actions on federal land remained subject to the National Environmental Policy Act (NEPA).

Reauthorization of the Good Neighbor Authority (GNA) in 2004 (PL 108-447 Sec. 336 Dec. 8, 2004) added Bureau of Land Management (BLM) lands in Colorado to the scope of the authority. The Consolidated Appropriations Act, 2014 (PL 113-76 Sec. 417 Jan 17, 2014) reauthorized Good Neighbor and expanded it to all states that contain BLM or USFS lands. Subsequently the Agricultural Act of 2014 (PL 113-79 Sec. 8206 Feb. 7, 2014) was passed which also included a similar version of Good Neighbor.

Guidance Objective

The purpose of this document is to provide guidance for preparing and implementing Good Neighbor projects that meet the requirements of law. Questions concerning this guidance should be directed to your state office forestry program lead or Wade Salverson 202-912-7247 (BLM Good Neighbor Authority Coordinator).

SUMMARY OF GOOD NEIGHBOR PROVISIONS

In order for a project to qualify as a Good Neighbor project, the following criteria must be met.

1. The project consists of Authorized Restoration Services which include: treatment of insect and disease infected trees, hazardous fuels reduction, or any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.
2. The project does not include construction, reconstruction, repair, or restoration of paved or permanent roads, parking areas, public buildings, or public works.

3. The project does not include public lands that have the following designations: National Wilderness Preservation System, where removal of vegetation is prohibited or restricted by Act of Congress or Presidential Proclamation including the applicable implementation plan, or Wilderness Study Areas.
4. The BLM provides or approves all silviculture prescriptions and marking guidelines for timber sold.
5. NEPA decisions remain the responsibility of the BLM and cannot be delegated to the state.

Good Neighbor projects are characterized as having used one or more of the following authorities:

1. A sole source contract with a state government agency.
2. A contract or agreement where a state government official is serving as an agent in providing up to all services necessary to carry out Authorized Restoration Services.
3. A contract with a state that excludes Federal Acquisition Regulations (FAR) subcontracting clauses, which would allow each state to subcontract utilizing their respective contracting procedures.

ROLES & RESPONSIBILITIES

BLM Washington Office

- A. The responsibility of the Washington Office (WO) AD-200 Directorate is to provide policy guidance to state offices and oversight of the Good Neighbor Authority (GNA) agreements and contracts.

BLM State Office

- A. State Director
 1. Ensures that field offices complete the reporting and tracking requirements identified in this guidance.
 2. Assesses the proper use and management of the GNA as a normal part of BLM statewide resource programs and actively reviews those programs utilizing the authority. Particular programs of interest include Forest Management, Procurement and Acquisition, and Fire/Fuels Management.

B. Agreements/Contracting Officer

1. Reference this policy guidance IM in agreements and contracts that utilize the provisions of the GNA.

C. Good Neighbor Coordinators – (State Office Forestry Program Lead)

1. Clarifies GNA policy guidance.
2. Reviews all proposed projects to ensure GNA criteria are met using the checklist (Exhibit 2) submitted by the project lead and forward to WO coordinator.
3. Ensures project reporting is accurate and timely and financial accountability and accomplishments are reported monthly in the respective databases.
4. Provides guidance on the proper procedures to sell forest products within a GNA project.
5. May serve as the Program Officer or Contracting Officer's Representative on projects involving one or more Field Offices.

BLM Field Office

A. Project Lead

1. Meet with state representative, field manager, and procurement analyst to explore proposals where the authority would increase efficiencies and help select the appropriate implementation mechanism. Use the simplified process example on page six or the Good Neighbor Project Decision Matrix *Exhibit 3* to aid in selecting the proper implementation mechanism.
2. Submit proposed GNA projects to the state office coordinator using *Exhibit 2* and maintain the administrative record file.
3. Work with Contracting Officer (CO) or Grants Management Officer (GMO) to develop contract or agreement forms.
4. Serve as Contracting Officer's Representative (COR), Program Officer (PO), or Project Inspector (PI) on agreements and contracts executed under this authority.
5. Enter data if required by the implementation mechanism into Timber Sale Information System (TSIS), Stewardship Contracting Information Database (SCID), or Special Forest Products (SFP).

B. Field Manager/District Manager

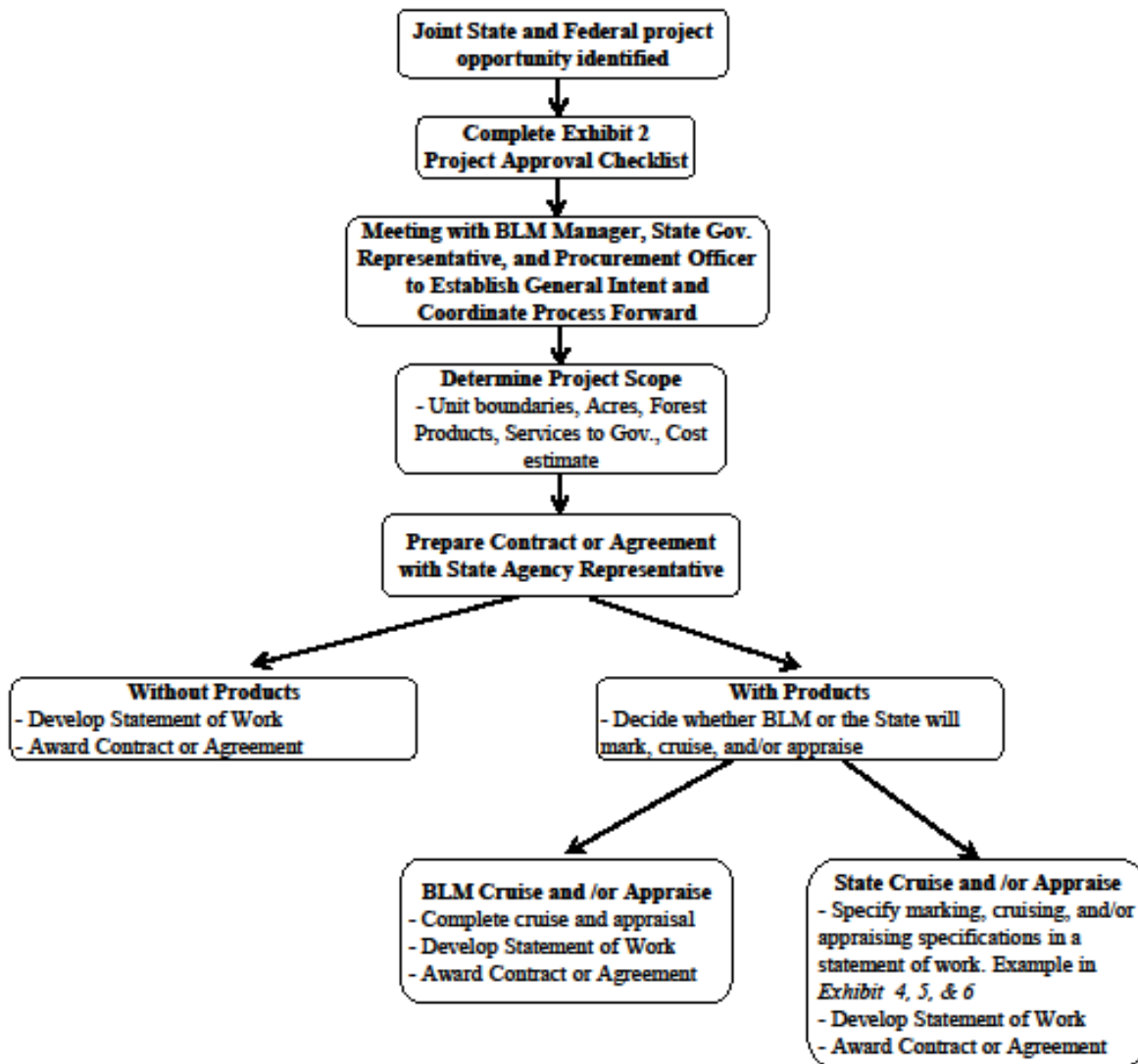
1. Serves as the Authorizing Officer on all BLM forest product sales

INTRODUCTION

Prior to the GNA becoming law there were a number of regulations pertaining to contracts and agreements that prevented the BLM from transferring funds directly to a state government agency for the purpose of assisting with projects on BLM managed land. GNA creates a contract or agreement that looks much like existing contracts or agreements the BLM uses, but that are not subject to all of the regulations. This allows the BLM and state governments to take advantage of opportunities to share fiscal and personnel resources where doing so improves efficiency and reduces project implementation costs. In order to take advantage of GNA provisions, 5 criteria must be met as outlined in the law and listed in the approval checklist in Exhibit 2.

The BLM field offices manage land under diverse circumstances which prevents the development of a cookbook method for using GNA. The purpose of this guidance is twofold. The first is to establish policy through this guidance and control points such as the approval checklist to properly apply the Good Neighbor statute and other relevant laws. The second is to provide an example of a sample project framework that represents a low complexity application of GNA. This example is not intended to limit the development of more complex arrangements that utilize GNA provisions. Scenarios that entail the development of multiyear and programmatic agreements that cover a wide range of activities across multiple project areas or projects that include the conveyance of forest products are potential elements that could occur under more complex GNA projects. The figure below shows the stages that might be common under a simple short term GNA project.

Good Neighbor Simplified Process Workflow



SIMPLIFIED PROCESS NARRATIVE

The following example presents a typical GNA project which could entail a number of activities including but not limited to: pre-commercial thinning, commercial thinning, salvage/sanitation, or hazardous fuels reduction. This would be accomplished by the BLM entering into a financial assistance agreement or contract directly with a state without advertising the opportunity. The state would then implement the terms of the agreement or contract with their existing capacity or through subcontracts that are subject only to state contracting rules. Once an opportunity has been identified the above workflow can begin starting with the initial meeting.

The initial meeting should be with the BLM project lead, the BLM Good Neighbor Coordinator, the BLM official that will be responsible for signing the decision, the state forestry official that meets the statutory qualification or their delegated representative, and a BLM acquisition staff member. The meeting should cover the scope of the project, the roles of each entity, the feasibility, and the general procurement process. It is important that clear objectives are set and that both parties understand who will be responsible for each task.

Depending on the amount of layout work that has occurred or the stage of the NEPA process, the next step of determining scope may vary. In some cases, planning has already occurred and the initial meeting is primarily designed to discuss the roles and responsibilities of each party. In other cases, the state, during their planning phase, may approach the BLM to treat the BLM land as a part of their project and assess whether the BLM has any existing plans or project NEPA for the identified area. In the latter case, project planning and NEPA could begin.

One of the first steps in the procurement process is to develop the statement of work which is a description of services that the state is agreeing to provide. The statement of work will vary depending on whether or not there are forest products as indicated in the workflow diagram. The statement of work may contain general instructions to meet land management objectives similar to the end result principles of Stewardship or it can be more prescriptive. The statement of work may include tasks such as assistance in NEPA development, vegetation treatment, preparation of treatments including, layout, marking, cruising, or appraising (*Exhibits 4, 5, & 6*), or assistance with administration of BLM forest product contracts/permits. After finalization of the statement of work, the BLM procurement process can be initiated by completing a [purchase requisition](#) through [FBMS](#) for a contract or agreement.

Award of a contract or agreement to a state government designates them as the contractor or recipient and will establish the state as the entity that the COR/PO or PI will monitor and communicate with throughout project implementation. If the state has subcontracted services, the state will be responsible for communication and direction of the subcontractor. The procurement process should occur much like a typical procurement with the only difference being that there would be no advertising and the contract clauses would omit subcontracting stipulations. GNA project administration post award will occur the same as normal contracts and agreements.

SALE OF FOREST PRODUCTS UNDER GNA

The sale of forest products is often necessary to meet the objectives of forest and woodland treatments. Regulations governing the sale of forest products are contained within [43 CFR 5400](#) which are implemented through Forest Products Sale (FPS) contracts ([5450 timber sale contracts](#)) or Stewardship agreements or contracts. In order to ensure the proper conveyance of forest products under GNA, it is recommended that a BLM forest products sale contract or Stewardship contract or agreement is used. It is important to note that projects that include the state providing marking, cruising, and/or appraising services shall not have the state as the purchaser on the timber sale contract or where the state has an interest in the timber through a Stewardship goods-for-services arrangement, in order to prevent a conflict of interest.

The following are examples of methods that can be used for the forest products conveyance:

- **Cooperative Agreement** - Timber may be conveyed by either specifying in the agreement that the state become the purchaser on a 5450 contract or the state agree to facilitate the process of bringing their subcontractor/purchaser to the BLM as a purchaser on a 5450 contract.
- **Stewardship Agreement** - Stewardship agreements can either convey timber within an Annual Operating Plan (AOP) through a direct trade of goods-for-services or by selling the timber through a Stewardship FPS using a 5450 form and in a separate action order the services through an AOP. Using the first option the AOP would contain a schedule of service and product bid items similar to a Stewardship contract and payments to the state for services would not include the timber value established in the schedule. Under this scenario, the state would hold title to the timber once the service work performed is equal to or greater than the timber value and the state could collect revenue for the timber using their procedures.
- **Stewardship Service Contract** - When service work is anticipated to be more than the value of timber, a Stewardship service contract can be used to convey the timber to the state at the rate in Schedule B of the contract. The state can then sell the timber to their subcontractor using their methods.
- **Stewardship FPS** - When timber value is greater than the services the state will provide, the Stewardship FPS can be an efficient tool for conveying timber while contracting services. This option, like the agreement, can either specify that the state become the purchaser on a 5450 contract or the state agree to facilitate the process of bringing their subcontractor/purchaser to the BLM as a purchaser on a 5450 contract.

These alternatives do not change GNA, but are proposed methodologies to facilitate the proper and lawful conveyance of timber from public lands using existing mechanisms that incorporate relevant regulations. For example, the use of Stewardship and GNA together combines the use of goods-for-services authority that the GNA does not authorize, while GNA could additionally authorize a stewardship contract to be awarded directly to a state without advertisement or subcontracting stipulations.

TRACKING & REPORTING

TSIS

All forest products sold and removed from BLM lands using timber sale forms will be required to be entered into the Timber Sale Information System. The only exception would be a timber sale form with the Stewardship clause, which would be entered into SCID.

SCID

All projects that are implemented using the goods-for-services provision of the Stewardship Authority should be entered into the Stewardship Contracting Information Database.

SFP

All forest products that are permitted or sold that are not accounted for in either TSIS or SCID should be entered into the Special Forest Products database.

Exhibit 1

Agricultural Act of 2014

SEC. 8206. GOOD NEIGHBOR AUTHORITY.

(a) DEFINITIONS.—In this section:

(1) AUTHORIZED RESTORATION SERVICES.— The term “authorized restoration services” means similar and complementary forest, rangeland, and watershed restoration services carried out—

(A) on Federal land and non-Federal land;

and

(B) by either the Secretary or a Governor pursuant to a good neighbor agreement.

(2) FEDERAL LAND.—

(A) IN GENERAL.—The term “Federal land” means land that is—

(i) National Forest System land; or

(ii) public land (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)).

(B) EXCLUSIONS.—The term “Federal land” does not include—

(i) a component of the National Wilderness Preservation System;

(ii) Federal land on which the removal of vegetation is prohibited or restricted by Act of Congress or Presidential proclamation (including the applicable implementation plan); or

(iii) a wilderness study area.

(3) FOREST, RANGELAND, AND WATERSHED RESTORATION SERVICES.—

(A) IN GENERAL.—The term “forest, rangeland, and watershed restoration services” means—

(i) activities to treat insect- and disease-infected trees;

(ii) activities to reduce hazardous fuels; and

(iii) any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.

(B) EXCLUSIONS.—The term “forest, rangeland, and watershed restoration services” does not include—

(i) construction, reconstruction, repair, or restoration of paved or permanent roads or parking areas; or

(ii) construction, alteration, repair or replacement of public buildings or works.

(4) GOOD NEIGHBOR AGREEMENT.—The term “good neighbor agreement” means a cooperative agreement or contract (including a sole source contract) entered into between the Secretary and a Governor to carry out authorized restoration services under this section.

(5) GOVERNOR.—The term “Governor” means the Governor or any other appropriate executive official of an affected State or the Commonwealth of Puerto Rico.

(6) ROAD.—The term “road” has the meaning given the term in section 212.1 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this Act).

(7) SECRETARY.—The term “Secretary means—

(A) the Secretary of Agriculture, with respect to National Forest System land; and

(B) the Secretary of the Interior, with respect to Bureau of Land Management land.

(b) GOOD NEIGHBOR AGREEMENTS.—

(1) GOOD NEIGHBOR AGREEMENTS.—

(A) IN GENERAL.—The Secretary may enter into a good neighbor agreement with a Governor to carry out authorized restoration services in accordance with this section.

(B) PUBLIC AVAILABILITY.—The Secretary shall make each good neighbor agreement available to the public.

(2) TIMBER SALES.—

(A) IN GENERAL.—Subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a(d) and (g)) shall not apply to services performed under a cooperative agreement or contract entered into under subsection (a).

(B) APPROVAL OF SILVICULTURE PRESCRIPTIONS AND MARKING GUIDES.—The Secretary shall provide or approve all silviculture prescriptions and marking guides to be applied on Federal land in all timber sale projects conducted under this section.

(3) RETENTION OF NEPA RESPONSIBILITIES.— Any decision required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any authorized restoration services to be provided under this section on Federal land shall not be delegated to a Governor.

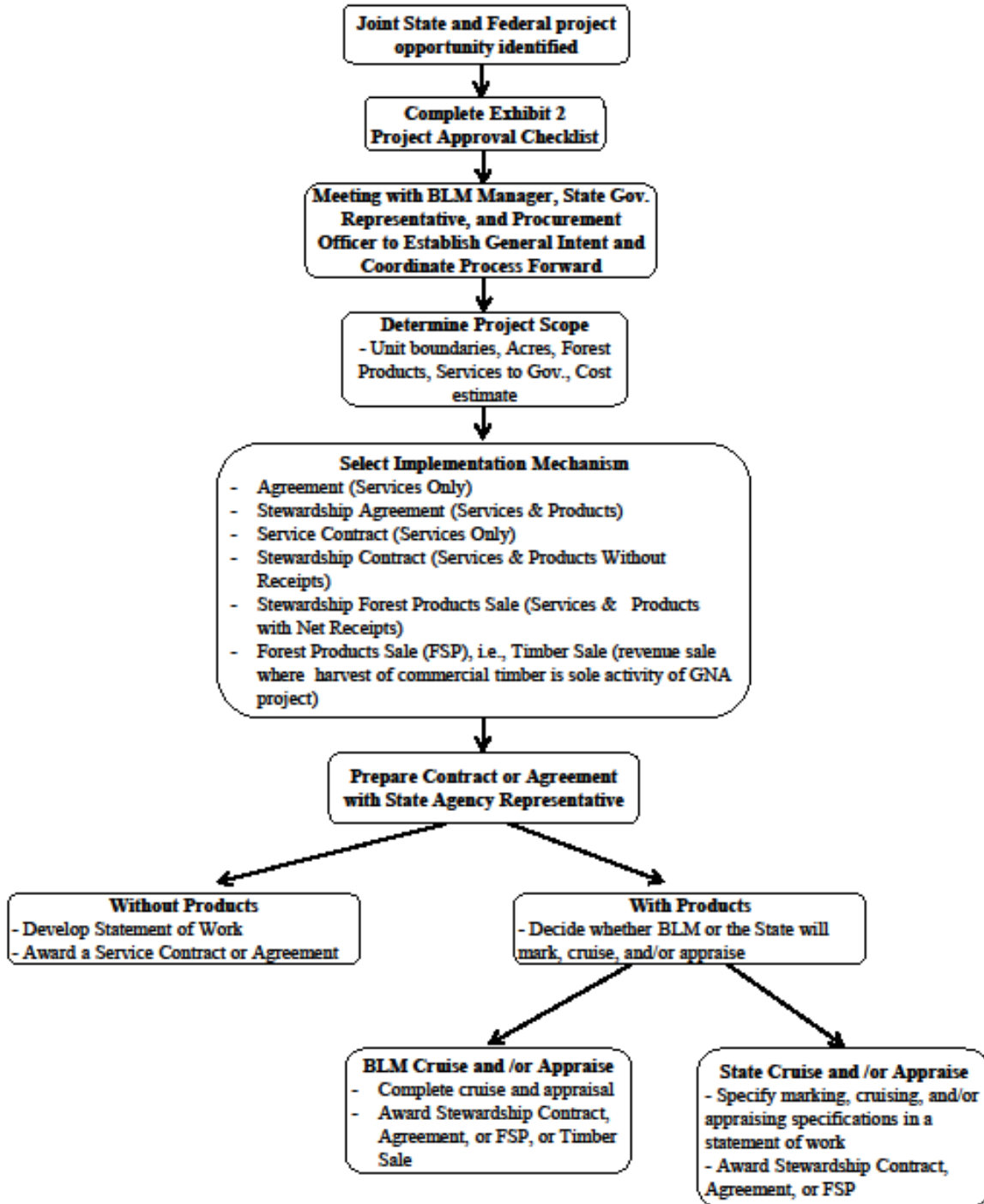
Exhibit 2

Good Neighbor Project Approval Checklist			
Project Name			
State/District/Field Office		Project lead, On date:	
CO or GMO identified for project			
Functional Area/Funding Code(s)			
The following elements are required for a project to qualify to use Good Neighbor provisions.			
Qualification	Yes	No	Comments
The project consists of Authorized Restoration Services which include: treatment of insect or disease infected trees, hazardous fuels reduction, or any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.			
The project does not include construction, reconstruction, repair, or restoration of paved or permanent roads, parking areas, public buildings, or public works.			
The project does not include Public Lands that have the following designations: National Wilderness Preservation System, where removal of vegetation is prohibited or restricted by Act of Congress or Presidential Proclamation including the applicable implementation plan, or Wilderness Study Areas.			
The BLM will provide or approve all silviculture prescriptions and marking guidelines for timber sold.			
The NEPA Decision will be signed by a BLM official.			
At least one of the following elements must exist in order to be classified as a Good Neighbor project.			
Good Neighbor Provisions	Yes	No	Comments
Will the contract or agreement be sole sourced to a state?			
Is a state government official serving as an agent in providing up to all services necessary to carry out Authorized Restoration Services?			
Does the contract exclude subcontracting clauses and allow the state to enter into subcontracts utilizing the state's contract procedures?			
Implementation Mechanism			
Type of Vegetative By-Products if any			

*Forward copy of completed form to the BLM state forestry program lead or designated Good Neighbor coordinator and file original in administrative record.

Exhibit 3

Good Neighbor Project Design Matrix



*This exhibit is designed to outline the overall GNA process. Selecting the implementation mechanism will likely require the most forethought and planning. The combinations listed in the mechanism list are examples of ways to implement GNA, however the list is not comprehensive.

Exhibit 4

Sample Appraisal

Timber volume is based on a net board foot volume derived using a sample tree cruising method across the XX acre project. The smallest tree measured was 12 inches DBH and the top diameter used for deriving volumes was 6 inches diameter. Biomass was determined using volumes estimated by survey of local loggers and was not measured in plots. Move in cost was determined from previous projects of similar scope to be approximately \$2,500. Biomass logging cost is incorporated into the \$0.25 price per ton. This appraisal conforms to [43 CFR 5420](#) and [BLM Manual 9350](#).

- Logging cost = \$150 per MBF (sawlog)

- Hauling cost = \$90 per hour

- Profit and risk factor = 10%

Biomass = 13,000 green tons / 25 green tons per load = 520 loads

Sawlog = 553 MBF / 4 MBF per load = 139 loads

Sawlog = Bald Hills Stewardship cruise report

Logging cost (sawlog) = \$150 * 553 MBF = **\$82,950**

Haul cost = \$90 (per hr) * 2.5 hr (round trip) * 659 loads = **\$148,275**

Move in cost = **\$2,500**

Profit and risk = \$233,725 * 1.10 = **\$257,098**

Total cost = **\$257,098**

- Pond value ponderosa pine (6" – 11": 38% of volume) = \$260

(12" – 17": 53% of volume) = \$360 (≥ 18": 9% of volume) = \$420 ∴ (.38*553MBF*\$260)

= \$54,636 (.53*553MBF*\$360) = \$105,512 (.09*553MBF*\$420) = \$ 20,903

Total = **\$181,051**

- Biomass = \$0.25/Green Ton (13,000 tons * \$0.25) = **\$3,250**

Total timber value = **\$184,301**

Total appraised value = **(\$72,797)**

Pond values are from the July 15, 2011 issue of the OREGON LOG MARKET REPORT (OREGON DOMESTIC LOG PRICES EASTSIDE) published by John Lindberg Co-Publisher/Editor, 307 NE 63rd St #10, Vancouver, WA 98665, Telephone: 360-693-6766

Exhibit 5

Sample Timber Marking Specification

The purpose of these specifications is to provide tree marking guidelines that are based on a silvicultural prescription and facilitate compliance with NEPA (document number) stipulations. Use of these specifications conforms to [43 CFR 5400](#).

The primary objectives of this project are to reduce the risk of high severity wildfire in the naturally regenerated stand and to increase spacing to enhance growth of trees in the plantation units. The secondary benefits include improving wildlife habitat by increasing resources available to understory vegetation, and enhancing forest stand resilience to insects and disease. The desired results are 1) uneven aged structure with high retention of trees with late successional characteristics 2) reduce the number of small diameter and suppressed crown class pine trees (less than 12 inches diameter at breast height (DBH)) to create a stand with a residual basal area between 40 to 80 square feet per acre 3) retention of some saplings exhibiting good growth form for later recruitment into larger crown classes and 4) reduction in malformed stems to a couple per acre to reduce growing space dominated by legacy damage agents.

Trees to be harvested will be identified using the designation-by-description method of operator select for trees < 12 inches DBH and by blue mark for trees \geq 12 inches DBH. Using the parameters above, mark the cut trees with blue paint around the circumference at breast height and at least one butt mark at ground level. As a general guide, target crown spacing is 30 feet.

BLM will provide timber marking paint according to the office's policies and specifications. Paint security measures may be needed and paint use should be tracked. Return used cans to BLM for proper disposal as well as excess paint.

Exhibit 6

Sample Cruise Specifications

The purpose of this cruise design is to estimate the volume of timber to be conveyed to the purchaser on (insert stewardship contract or timber sale form #) This cruise design conforms to [43 CFR 5422](#) , [BLM Manual 5300](#), and [BLM Manual 5310](#).

Trees greater than or equal to 12 inches DBH were market and tallied. (Tree volume of timber to be thinned that is < 12 inches DBH has been estimated from compiled weight reports for biomass harvests from similar stands).

This cruise will sample 10 percent of the population of trees to be harvested as sawtimber. Using a random point generator in GIS, generate the number of points needed to measure no more than four of the closest trees to each point. For example, if there are 300 trees total, one could generate 10 points to measure three of the closest trees at each point for a total of 30 trees or 10 percent. Measure species, height, DBH, defect, and grade each 16 foot log. Data will be collected by the BLM and processed in BLM's cruise processor.

Exhibit 7

PUBLIC LAW 106–291—OCT. 11, 2000. 114 STAT. 997

Good Neighbor Statute as amended: See footnotes*

SEC. 331. FEDERAL AND STATE COOPERATIVE WATERSHED RESTORATION AND PROTECTION.

(a) **USE OF STATE FOREST SERVICE.**—The Secretary of Agriculture, via cooperative agreement or contract (including sole source contract) as appropriate, may permit the head of a State agency with jurisdiction over State forestry programs in a State containing National Forest System land (in this section referred to as a ‘State Forester’) to perform watershed restoration and protection services on National Forest System lands in the State when similar and complementary watershed restoration and protection services are being performed by the State Forest Service on adjacent State or private lands. The types of services that may be extended to National Forest System lands include treatment of insect infested trees, reduction of hazardous fuels, and other activities to restore or improve watersheds or fish and wildlife habitat across ownership boundaries.

(b) **STATE AS AGENT.**—Except as provided in subsection (c), a cooperative agreement or contract under subsection (a) may authorize the State Forester to serve as the agent for the Forest Service in providing all services necessary to facilitate the performance of watershed restoration and protection services under subsection (a). The services to be performed by a State Forester may be conducted with subcontracts utilizing State contract procedures. Subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a) shall not apply to services performed under a cooperative agreement or contract under subsection (a).

(c) **RETENTION OF NEPA RESPONSIBILITIES.**—With respect to any watershed restoration and protection services on National Forest System lands proposed for performance by a State Forester under subsection (a), any decision required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) may not be delegated to the State Forester or any other officer or employee of the State.

(d) **INCLUSION OF BLM LANDS.**—The authority provided by this section shall also be available to the Secretary of the Interior with respect to public lands in a State administered by the Secretary through the Bureau of Land Management.

(e) **EXPIRATION OF AUTHORITY.**—The authority of the Secretary of Agriculture and the Secretary of the Interior to enter into cooperative agreements and contracts under this section expires September 30, 2018, and the term of any cooperative agreement or contract entered into under this section shall not extend beyond that date.

* PUBLIC LAW 108–447—DEC. 8, 2004 118 STAT. 2809.

* PUBLIC LAW 111–88—OCT. 30, 2009 123 STAT. 2904. Strike “2009” insert “2013”

* PUBLIC LAW 113-76. Consolidated Appropriations Act 2014 Sec 417.

Exhibit 8

Good Neighbor Agreement Template

**FOREST HEALTH AND FUELS REDUCTION PROJECT
GOOD NEIGHBOR AGREEMENT**
between
**DOI BLM
XX FIELD OFFICE**
and
STATE of XXX

I. Statement of Joint Objectives

A. Purpose: This agreement is made and entered into by the Department of Interior, Bureau of Land Management, **XX** Field Office (BLM), and the Governor of **XX**, hereinafter represented by **XX** for the purposes of improving forest health and the reduction of hazardous fuels adjacent to the Wild Urban Interface in **(insert general descriptive location)**.

(insert general description of the needs this partnership address)

B. Objective: The objective of this agreement is to authorize the **XX** to serve as an agent for the BLM to perform forest health and hazardous fuels reduction services on BLM lands within the Wild Urban Interface in various communities along the I-70 and CO 82 Corridors in conjunction with similar forest health and hazardous fuels reduction services that are being conducted by the CSFS on adjacent private lands.

C. Authority

- (1) Federal Land Policy and Management Act of 1976 (Public Law 94-579, Section 307 (b)).
- (2) Agriculture Act of 2014 (Public Law)

D. Benefits:

(insert narrative about the desired future condition and benefits as well as any budgetary benefits or efficiencies)

II. Statement of Work

A. **XX** agrees to:

1. **(insert BLM of state marking, cruising, and appraising specifications (see Exhibits 4, 5, and 6 for examples))**

2. (insert description of end result or stand prescription, following is an example)
Ponderosa pine precommercial biomass removal and sawtimber harvest across all units. Trees < 12 inches DHB will be thinned using the following specifications: crown spacing of approximately 30 feet while retaining a 10 percent component of saplings and pole size timber of good growth form. Target biomass trees will consist of trees that have defect in the bole and/or crown deformities and suppressed crown class trees. Unmarked trees ≥ 12 inches DBH not designated for removal and lacking a blue mark must be retained. Feller-buncher operators are responsible for being able to judge this diameter or contractor must designate cut trees ahead of felling operations. Trees ≥ 12 inches DBH will be marked with blue paint to designate trees to be removed and must be removed. These marked trees will consist of both larger diameter trees that have sufficient defect in the bole and crown to be considered non-viable as a commercial sawlog but are selected to meet the sanitation thinning objectives; and trees that are of commercial size which are selected to meet the density management and forest health objectives of this project.
3. (insert timber conveyance terms, (only needed for projects where a forest product is going to be removed), following is an example) Arrange for a purchaser to purchase the timber felled as a part of the treatment described in this agreement from BLM land. The purchaser will sign the attached BLM timber sale form in connection with this agreement. The timber contract will contain the volume from the BLM cruise processor report and will be sold for not less than the appraised value. Purchaser will follow the payment, bonding, and other stipulations of the standard timber sale contract.

B. The BLM agrees to:

1. Meet with state representatives on an ongoing basis to monitor project implementation.
2. Supply timber sale contract, sign timber sale contract, and conduct financial transactions associated with the timber sale contract.
3. Remit to XX amounts due for work completed. Such amounts shall be based on monthly invoices, SF-270's, submitted to the BLM.

C. The State of XX and BLM mutually agree to the following:

1. The services to be performed by XX may be conducted with subcontracts utilizing State contract procedures.
2. With respect to any authorized restoration services on BLM lands, National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) requirements may not be delegated to the State.
3. The BLM retains authority over forest product sales contracts.
4. This is an award of Federal Financial Assistance and as such is subject to the Office of Management and Budget OMB Circular A-21, OMB Circular 110 and OMB Circular A-133. The OMB Circulars are available on the internet at www.whitehouse.gov/OMB/grants. Electronic copies of the CFR's can be obtained at the following internet site: www.access.gpo.gov/nara/cfr.
5. FINANCIAL STATUS AND CASH REPORTING. A Financial Status Report, Form SF-269A, or SF-269, shall be submitted quarterly. The final Form SF-269A

or SF-269 shall be submitted either with the final payment request or no later than 90 days from the expiration date of the Cooperative Agreement.

6. **FUNDING EQUIPMENT AND SUPPLIES.** Federal funding under this Cooperative Agreement is not available for reimbursement of recipient purchase of equipment.
7. **AMENDMENTS.** Amendments within the scope of the Cooperative Agreement shall be made by mutual consent of the parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed. The BLM is not obligated to fund any changes not properly approved in advance.
8. **PROPERTY IMPROVEMENTS.** Improvements placed on Bureau of Land Management land at the direction of either of the parties, shall thereupon become property of the United States, and shall be subject to the same regulations and administration of the BLM as other Bureau of Land Management improvements of a similar nature. No part of this Cooperative Agreement shall entitle the **state** to any share or interest in the project other than the right to use and enjoy the same under the existing regulations of the BLM.
9. **8. COMMENCEMENT/EXPIRATION DATE.** This Cooperative Agreement is executed as of the date of last signature and is effective through Month/Date/Year, at which time it will expire unless extended.
10. **9. PRINCIPAL CONTACTS.** The principal contacts for this Cooperative Agreement are:

<p>XX Bureau of Land Management XX F.O.</p>	<p>Name State XX Address (000) 000-0000 (Voice) (000) 000-0000 (Fax) E-mail:</p>
---	--

11. **ELECTRONIC FUNDS TRANSFER.** XX shall designate a financial institution or an authorized payment agent through which a Federal payment may be made in accordance with U.S. Treasury Regulations, Money and Finance at 31 CFR 208, which requires that Federal payments are to be made by electronic funds transfer (EFT) to the maximum extent possible. A waiver may be requested and payment received by check by certifying in writing that one of the following situations apply:
 - a) The payment recipient/cooperator does not have an account at a financial institution.
 - b) EFT creates a financial hardship because direct deposit will cost the payment recipient more than receiving a check.
 - c) The payment recipient/cooperator has a physical or mental disability, or a geographic, language, or literacy barrier.
12. **REIMBURSABLE PAYMENTS.** Reimbursable payments are approved under this Cooperative Agreement. Only costs for those project activities approved in

- (1) Task Orders, or (2) modifications thereto, are allowable. Requests for payment shall be submitted quarterly on Standard Form 270 (SF-270), Request for Advance or Reimbursement.
13. **INDIRECT COSTS AND TUITION REMISSION.** In accordance with Title 7, U.S.C. 3319, indirect costs and tuition remission are not reimbursable to State Cooperative Institutions under joint venture and cooperative agreements. However, it should be noted that indirect costs may be used by State Cooperative Institutions to satisfy matching or cost-sharing requirements.
 14. **PROGRAM PERFORMANCE REPORTS.** The final performance report shall be submitted either with your final payment request, or no later than 90 days from the expiration date of the Cooperative Agreement.
 15. **PROGRAM INCOME.** If any program income is generated as a result of this Cooperative Agreement, the income shall be applied using the alternative as described in 7 CFR 3016.25 and 3019.24.
 16. Each party to this Cooperative Agreement shall be responsible to the fullest extent allowed by law for its own negligence and that of its employees, agents and servants.
 17. This Cooperative Agreement shall inure to the benefit of, and be binding upon, the parties and their representatives, successors and assigns. The foregoing notwithstanding, this Agreement is not intended, nor shall it be construed, as creating third-party beneficiary rights in any other business or person. Any benefit(s) to a third party arising out of this Agreement are understood to be incidental and not intended.
 18. Financial obligations of the State of XXX payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
 19. **DUNS NUMBER (05/04).** XX state shall furnish their DUNS number upon execution of this instrument. You may obtain a DUNS number by contacting Dun and Bradstreet at 800-234-3867 or 866-794-1580. A DUNS number will be provided immediately by telephone at no charge.
 20. **AUTHORIZED REPRESENTATIVES.** By signature below, the cooperator certifies that the individuals listed in this instrument as representatives of the cooperator are authorized to act in their respective areas for matters related to this agreement.
 21. **COMMENCEMENT/EXPIRATION DATE.** This instrument is executed as of the date of last signature below and is effective through **Date** at which time it will expire.

Exhibit 9

Minimum Clauses

When forest products are being conveyed within a GNA project the following clauses should be inserted into procurement contracts or agreements that do not include the use of a 5450 timber sale form.

Log Export Restriction

All commercial products to be removed by the Contractor/Purchaser under the terms of this contract is restricted from export from the United States in the form of unprocessed commercial product and is prohibited from being used as a substitute for exported private commercial product. For the purpose of this contract, unprocessed commercial product is defined as (1) any logs except those of utility grade or below, such as sawlogs, peeler logs, and pulp logs; (2) cants or squares to be subsequently remanufactured exceeding eight and three-quarters (8-3/4) inches in thickness; (3) split or round bolts or other roundwood not processed to standards and specifications suitable for end-product uses; or (4) western red cedar lumber which does not meet lumber of American Lumber Standards Grades of Number 3 dimension or better, or Pacific Lumber Inspection Bureau R-List Grades of Number 3 Common or better. Thus, commercial product manufactured into the following will be considered processed: (1) lumber and construction timbers, regardless of size, manufactured to standards and specifications suitable for end product uses; (2) chips, pulp and pulp products; (3) green or dry veneer and plywood; (4) poles and piling cut or treated for use as such; (5) cants, squares, and lumber cut for remanufacturing of eight and three-quarters (8-3/4) inches in thickness or less; (6) shakes and shingles. The Contractor/Purchaser shall maintain and upon request to furnish the following information:

- a. Date of last export sale.
- b. Volume of commercial product contained in last export sale
- c. Volume of commercial product exported in the past twelve (12) months from the date of last export sale.
- d. Volume of Federal commercial product purchased and/or removed in the past twelve (12) months from date of last export sale.
- e. Volume of commercial product exported in the succeeding twelve (12) months from date of last export sale.
- f. Volume of Federal commercial product purchased and/or removed in the succeeding twelve (12) months from date of last export sale.

In the event the Contractor/Purchaser elects to sell any or all of the timber sold under this contract in the form of unprocessed timber, the Contractor/Purchaser shall require each party buying, exchanging, or receiving such timber to execute a "Certificate as to Nonsubstitution and the Domestic Processing of Timber" (Form 5460-16). The original of such certification shall be filed with the Authorized Officer. Additionally, when the other party is an affiliate of the 52

Contractor/Purchaser, the Contractor/Purchaser will be required to update information under item (2) of Form 5450-17 (Export Determination) and file the form with the Authorized Officer. In the event an affiliate of the Contractor/Purchaser has exported private timber within twelve (12) months prior to purchasing or otherwise acquiring Federal timber sold under this contract, the Purchaser shall, upon request, obtain from the affiliate information in a form specified by the Authorized Officer and furnish the information to the Authorized Officer.

Prior to the termination of this contract, the Contractor/Purchaser shall submit to the Authorized Officer a "Log Scale and Disposition of Timber Removed Report" (Form 5460-15) which shall be executed by the Contractor/Purchaser. In addition, the Contractor/Purchaser is required under the terms of this contract to retain for a three-year period from the date of termination of the contract the records of all sales or transfer of logs involving timber from the sale for inspection and use of the Bureau of Land Management.

Passage of Title & Risk of Loss

Inspection of Commercial Volume and Disclaimer of Warranty

- a. The Contractor warrants that this contract is accepted and executed on the basis of its examination and inspection of the commercial volume material to be removed under this contract and its opinion of the value thereof.
- b. Government expressly disclaims any warranty of fitness of the commercial volume for any purpose; all commercial volume to be removed hereunder is accepted as is without any warranty of merchantability by Government. Any warranty as to the quantity or quality of the commercial volume to be removed hereunder is expressly disclaimed by the Government. Refund to or recovery by the Contractor for failure of passage of title to any commercial volume to be removed hereunder shall not exceed the value of such commercial volume computed at prices per unit for species involved as set forth in Schedule B.

Passage of Title and Risk of Loss

Title to commercial volume to be removed under this contract shall remain in Government and shall not pass to the Contractor until such commercial volume has an equal value earned in the form of SCs and removed from the contract area. Unless cut commercial volume is to be removed under this contract risk of loss shall be borne by the Contractor after the commercial volume is cut; Provided, however, that if loss results from a fire which was not caused by the Contractor, its subcontractors, or the employees of any of them, the risk of loss shall be borne by the party holding title. If cut commercial volume is to be removed under this contract, risk of loss shall be borne by the party holding title. Risk of loss to Government shall not exceed the value of such commercial volume computed at the prices per unit for the species involved as set forth in Schedule B. Nothing herein shall be construed to relieve either party from liability for any breach of contract or any wrongful or negligent act. As used in this section, the term cut commercial volume refers only to commercial volume which has been felled, bucked, or otherwise severed by direct human activity prior to the date this contract was entered into.

Commercial Volume Trespass and Suspension

If in connection with operations hereunder the Contractor, its subcontractors, or the employees of any of them cuts, injures, or removes any Government commercial volume, other than

commercial volume to be removed under this contract, such action shall be construed as trespass and the Contractor shall be liable for damages under applicable state law, up to treble damages. If the Contractor cuts or removes any commercial volume not authorized for removal under this contract during any period of suspension, such cutting or removal shall be considered a willful trespass and render the Contractor liable for damages under applicable state law, up to treble damages.

If trespass is determined by the Government as willful, the Contractor shall be responsible for damages up to treble the single damage fair market value of the particular commercial volume cut or removed or injured at the time of trespass, plus all administrative costs incurred by the Government during inspection and appraisal. The total price of commercial material removal (Schedule B) in trespass shall be deducted to the extent of single damages or the value of commercial material under Schedule B, whichever is lesser, from amount due because of trespass. The Contractor shall pay Government for such damages after written demand therefore by the Contracting Officer.

If the Contractor, its subcontractors, or the employees of any of them, cuts, injures, or removes any commercial volume and/or leave trees reserved under this contract, they shall fully cooperate, upon request of the COR, in the investigation of such acts. If full cooperation is not received or will not be forthcoming, the Contracting Officer may suspend that portion of the Contractor's operations necessary to preserve evidence pending investigation or permit safe investigation of such acts.

Hold Harmless and Responsibility for Damages to the Government

The Contractor agrees to hold the Government harmless from any claim for damage or loss of property, personal injury, or death and to be liable for any damage suffered, cost, or expense incurred by the Government which claim, damage, cost or expense arise out of any operations under this contract and result from any breach of contract or wrongful or negligent act or omission of the Contractor, its subcontractors or employees of any of them. The Contractor shall pay Government for such damages after written demand therefore by the Contracting Officer.

Protection of Roads, Utilities, Improvements and Monuments

Existing telephone, telegraph and transmission lines, fences, ditches, roads, gates, monuments including corners and brass caps, and all other improvements shall be protected as far as practicable in all phases of Contractor's construction or logging operations. All such roads and ditches shall be kept free of logs, slash, and debris. Damage to roads, utilities and improvements shall be promptly paid for or repaired to a condition which, in the opinion of the Contracting Officer, is at least as good as the condition just prior to such damage.

Simultaneous Use of Contract Area by Others

The simultaneous use of the contract area by others may be authorized by the Government through issuance of permits, leases, or contracts, provided that the Contracting Officer first determines that such use of the contract area will not seriously interfere with the operations of the Contractor.

Watershed Protection: Water Quality, Erosion Control, and Soil Damage

The Contractor shall comply with all applicable State and Federal laws and regulations pertaining to water quality in connection with any operations under this contract.

The Contractor shall take every reasonable precaution not to pollute or obstruct any stream, lake, or reservoir on or near the contract area in connection with any operations under this contract. If the Contractor's operations cause pollution or obstruction of any stream, lake, or reservoir on or near the contract area, the Contractor shall correct the condition to the satisfaction of the COR. The Contractor shall undertake every reasonable measure to minimize erosion and soil damage in connection with any operations under this contract, including but not limited to construction of water bars on yarding and spur roads as designated by the COR. The Contractor shall immediately discontinue any construction or commercial volume harvesting operations under this contract, upon receipt of written notice from the COR that due to weather or soil moisture conditions, such operations will cause excessive damage to the soil. The COR shall notify the Contractor, in writing, when such operations may be resumed.

Refuse Control and Disposition of Waste Materials

The Contractor shall remove, or otherwise dispose of all garbage, temporary buildings, trash, litter, discarded equipment or parts, waste materials or other refuse resulting from Contractor's operations. Areas for disposal of waste material shall be subject to approval of the COR.

Waste materials, such as garbage, trash, oil, grease, chemicals and similar substances shall be disposed of in a manner that will prevent their entry by drainage, high water, or other means into any river, watercourse, lake, or reservoir in or near the Contractor's operations. Water used to wash down equipment used for petroleum products, industrial chemicals, cement or other toxic materials shall be disposed of in a manner that will prevent their entry into any watercourse or waterway.

Storage and Handling of Hazardous Materials

All petroleum products, industrial chemicals and similar toxic or volatile materials stored by the Contractor on or near the contract area, in connection with operations under this contract, shall be stored in durable containers and shall be stored in areas, as determined by the COR, which are either located so that any accidental spillage will not drain into any watercourses, lakes, or reservoirs or, when such areas are not available, shall be stored in an area surrounded by impermeable containment dikes of sufficient capacity to contain the aggregate capacity of all tanks.

In addition, the Contractor shall comply with all applicable State and Federal laws and regulations concerning the storage, handling, use and disposal of industrial chemicals, pesticides, herbicides, and other hazardous substances.

Records and Reports

Upon request of the COR, the Contractor shall furnish the following records and reports:

(1) volume or quantity of commercial volume cut and removed from the contract area; (2) road costs including road use fees paid in connection with removing commercial volume from the contract area; and (3) prices received for lumber or other wood products.

Time for Removal of Personal Property

The Contractor shall have the right within one month after expiration of time for cutting and removal to remove equipment, improvements, or other personal property from Government lands or rights-of-way; provided, however, that any improvements such as road surfacing, culverts and bridges which have become a permanent part of a Government road shall not be removed. The Contracting Officer may grant an extension of time, not to exceed three months for removal of personal property. Any improvements remaining on Government lands and rights-of-way at the end of the period for removal, or any extension, shall become the property of Government. Any equipment or other personal property remaining on Government land and rights-of-way at the end of this period may be removed at the expense of the Contractor and disposed of.

Exhibit 10

Good Neighbor GAO Report 2009