Regional Product Accountability Audit and Timber Program Review

Wallowa-Whitman National Forest
April 11 – 15, 2016

INTRODUCTION:
From April 11 through 15, 2016, the Team conducted an unannounced Regional Forest Products Accountability Audit and Timber Program Review on the Wallowa-Whitman National Forest. The Team consisted of: Steve Nelson, Regional Timber Sale Claims Forester, and Team Leader; Michael Daugherty, Regional Sale Preparation Lead for Contracts and Product Valuation, and one of two Regional Stewardship Coordinators; Jeff Penman, Area Measurements Specialist; Marty Moeller, Regional Construction Engineer; Dana Croll and Julie Ashe, Regional Timber Information Manager (TIM) Coordinators; Nancy Richardson, Regional TSA Lead; Lisa Ball, Mt. Hood Presale/Logging Systems Specialist; Casey Hawes, Timber Operations Staff for the Central Coast RD, Siuslaw NF; and Roy Shelby, Contracting Officer for the Mt. Hood and Gifford Pinchot NFs.

AUDIT OBJECTIVE:
The objective of the audit was to assess the Forest timber sale, stewardship, and Forest product programs, identify strengths and weaknesses, and recommend needed corrections. A review was made of the timber sale program, Special Forest Products permit process, TIM implementation, and of specific individual timber sales to sufficiently determine if the preparation and administration of sales and contracts are adequate to ensure proper accountability and consistency with national and regional policy, and direction related to the management of Forest resources. By providing observations and feedback to the Forest and Districts, consistent working knowledge of accountability and vegetative program objectives and requirements can be achieved and maintained.

PROCEDURE AND PROCESS:
The Team reviewed and assessed the following programs and projects:

1. Timber sale program and Forest's role in preparation and administration of sales and contracts, including NEPA coordination and compliance
2. Tracer paint use and accountability
3. Timber designation, utilization, and accountability of Forest products
4. Special Forest Products program
5. TIM implementation and utilization
6. Fiscal and Financial aspects of timber and products programs
7. Coordination with LEI
8. Engineering
9. Program Management

Unit visits were made to the Wallowa-Whitman Headquarters Office, La Grande Ranger District, Wallowa Valley Ranger District, and Whitman Ranger District. The Audit Team reviewed timber sales and permits for documented activities and financial reports at office locations. The Team made field visits to the following contract areas: Sandbox Timber Sale, Muddy Sled Timber Sale, and Cornet Hazard Salvage Timber Sale.

GENERAL COMMENTS:

The Team met with the Forest's Contracting Officer and Forest personnel from sale administration, law enforcement, sale preparation, financial management, Special Forest Products, Forest Officers, permit issuers, and line and staff officers. Forest and District personnel provided detailed information to inquiries and were enthusiastic in sharing insights and opinions. The Team would like to specifically thank the following Forest personnel for assisting the Team in completing the review: Megan Heider, Tom Burry, Julie Tarvin, Bob Rohla, Jim Chandler, Dave Jampolsky, John Jesenko, Bill Gamble, Lisa Laufenberg-Soward, Kent Berkey, Curtis Booher, Sam Vaughn, Pat Beeks, Kathy Hottle, Sara Bethscheider, Jodi Gover Adams, Lori Greenway, Maryanne Spence, Jackie Fitzgerald, Mardell Murrill Fisher, Kathy Rust, Teresa Uriarte, Fay Williamson, Rebecca Richardson, Adrian Cuzick, Dana Taylor, Clint Foster, and Joe Sciarrino.

The following are definitions for this report; Findings – deficiencies in program management and/or implementation that require management direction to correct. A Required Action or recommendation for corrective action is made for each finding. Observations – opportunities to improve current practices. Some observations identify areas of potential vulnerability. At the present time and under present circumstances, observations may not represent an immediate threat to Forest management implementation and accountability. However, if current circumstances change, there may be a need to re-evaluate these areas in order to mitigate potential losses.

COMMENDATIONS:

1. The Team would like to thank Pat Beeks and Kathy Hottle for their assistance during the audit. They were both readily available to answer questions or provide any information needed by the Team.

2. The Team would like to thank the frontliners at the La Grande, Whitman, and Wallowa Valley Ranger Districts. All were very welcoming and open to discussing their processes. It was a pleasure working with them.

3. The Team would like to commend the La Grande and Wallowa Valley Ranger Districts for their excellent job of record keeping. Kathy Hottle is commended for coming up with a template for manual permits so all required fields are completed.

4. The Team would like to mention the development of the Inspection Report record tracking spreadsheet by Jim Chandler found in a few of the contracts reviewed. This tool makes finding a variety of contractual items easy to locate, and saves time.

5. The Forest has taken the initiative to be one of the first forests in the Region to test and use the new cruising software. This has been a slow process but through their diligence and patience, it has made the program better for the region and the nation.

6. John Jesenko, Forest Measurement Specialist is doing an outstanding job ensuring the cruiser maintenance and sale checks are being completed as needed and documented correctly.

7. National direction is to offer all timber sales and stewardship contracts on a tree measurement basis. The forest is organized to meet this direction which focuses personnel and product accountability to the contract area and not on the haul route and facilities receiving national forest timber many miles away and in different directions from the forest.

8. The Forest prepares identical binders which contain all sale prep info for the project to be advertised. One binder remains on the district with the other sent to the SO to become part of the official record for the sale.

9. The Forest has a checklist of documents to be part of the contract package. This provides direction to units on the documents to be prepared for each timber sale.

10. The Forest has developed a summary of data to be entered into the TEA input sheet. A short explanation of the item and its components documents the source and amount of each item.

11. Good records regarding the mills called to obtain delivered log prices for use in developing a Product Quality Adjustment for the appraisal.

12. Timber has a good working relationship with Lands in that easements needed for timber sales are completed in advance of when needed for a project.

13. On the Muddy Sled TS, the District did a good job of tracking changes that occurred in the Decision Memo and incorporating them into the contract.

14. The Team would like to commend the sale admin personnel for their implementation of road maintenance on each sale.

15. A big thank you to Contracting Officer Megan Heider, FSR's Tom Burry and Jim Chandler, Sale Administrators Julie Tarvin and Dave Jampolsky, and Harvest Inspectors Sam Vaughn and Bob Rohla, for their participation, explanations and candid discussions. They all made themselves available to the Team as needed. That was very much appreciated.

I. Timber Information Manager (TIM)

Observations

1. When using a manual permit that has several products, the Forest Officer is to put a line through the products that the permittee is not purchasing. This eliminates the possibility of a permittee adding products to their permit.

2. When inputting the vehicle information for a permit, if part of the information is missing, do not input it. Enter only accurate information. It is not a mandatory field.

3. Original signatures are required on both copies of a permit. This includes permits issued directly in TIM and manual permits. Have vendors separate the permits and get original signatures.

4. Forest Officers should print their permits duplex. The official file must contain a complete permit, which includes the terms and conditions on page 2.

5. Manual permits are not being completed properly on some of the Districts visited. Permits were found with no quantity, signatures, effective dates and termination dates. All required fields must be completed when using manual permits.

6. Several 10 day mushroom permits were issued for 11 days. Make sure days are counted correctly.

7. Transplant money is being deposited into NFF. As per FSH 2409.18, Chapter 80_87, transplants are considered a forest botanical product so the Forest could be collecting money into TPBP01.

8. Direction in the POSS collection officer handbook states to destroy checks after two weeks. Checks were found in folders that are several months old and are to be destroyed.

9. The name on a permit needs to be an individual with a unique identification number.

10. For ease of tracking firewood and Christmas tree tags we recommend the frontliners use a register.

Findings

1. All permit issuers need to be delegated as Forest Officers and given authority for all the products that they will be selling.

   Required Action: Follow direction in FSM 2400, Chapter Zero, 2404.25a, #2, FSM 2450, 2452.45.

2. No one on the Forest has TIM roles approved by a Line Officer. Also there are several people with inappropriate roles that need to be removed.

   Required Action: All users on the Forest need TIM roles approved by a line officer before granting roles in TIM. Review the roles for all TIM users and only assign those that are appropriate. Direction in TIM User Roles: Roles Descriptions and Worksheets, 12/21/15.

3. Vendor permit money is being deposited monthly on some Districts.

   Required Action: This must be done weekly. Refer to FSH 6509.14, 14.5; FSH 2409.18, 54.13 for more information.

4. Christmas Tree permits and money are unaccounted for. Tags and money are still in a vending machine in Unity.

   Required Action: Frontliner needs to go and get these Christmas Tree tags and money. This must be done weekly. Refer to FSH 6509.14, 14.5; FSH 2409.18, 54.13 for more information.

5. Forest is adding Other Conditions #9 to the Personal Use Fuelwood Permit that states: "I certify that my household has not purchased a total of more than 10 cords of firewood from National Forest lands this year." The Permit Area on the front of the permit is defined as Wallowa-Whitman National Forest.

   Required Action: Personal Use Product Plans need to be changed to state: "I certify that my household has not purchased a total of more than 10 cords of firewood from the Wallow-Whitman National Forest this year."

6. Transfer of Vendor Christmas Tree and firewood tags back to the Forest Service is being done on a blank piece of paper.

   Required Action: Form AD-107 is to be used for transferring property from Vendor to Forest Service, FSH 6509.14, Chapter 10, 14.7a.

II. Tracer Paint Storage/Marking

Observations

1. Presale paint lockers at all districts were found to be neat and orderly.

2. A minimum of three paint lots were checked by the Team at each paint shed and all were correct.

3. Tracer paint was tested by the Team in all units we visited and tested positive.

Findings

1. Designations must be updated. Separate individuals need to be designated for Paint Property Managers and Paint Custodian and only Paint Custodians are to check out paint.
   a. At La Grande, the Sale Administrator is designated as Paint Property Manager and checking out paint.
   b. At Whitman, the designation letter lists a person no longer employed.
   c. At Wallow Valley, the Paint Property Manager is checking out paint.

   FS-2400-65, Issue and Paint Inventory Form (02/10) is not being used at the La Grande district. Start use as new shipments arrive.

   Monthly, quarterly and yearly audits are minimal at best across the forest.

At least four individuals have access to the paint shed at Wallowa Valley, one of which is not the Paint Property Manager or Paint Custodian. Limit the number of people with access to the paint custodians or update the security on the paint storage areas.

No documentation was found verifying that tracer paint was tested on marked trees. Document tracer paint tests after marking in the presale folder.

Required Actions for All Findings: Refer to 2409.12, Chapter 70 for specific actions.

III. Cruising

Observations

1. Cornet Hazard Salvage was over cruised. The design was correct but the program selected more cruise trees than was needed. The district cruised them all to ensure they met sample error.

2. In Sandbox, the minimum diameter for products to be removed varied from unit to unit. Looking at the data and comparing with the contract, it appears it matches but the description in the cruise plan did not match what was listed in CT2.35#.

3. Initial documentation for the Muddy Sled cruise plan was concise and complete. When the data was lost, and a re-cruise was done, an addendum should have been completed to track changes made to recreate the cruise.

4. Appraised value of Muddy Sled was estimated less than $95,000 at the time of design. This would allow the Sample Error to be 12% for the sale. There was no appraisal found to support this change in design Sample Error from 10% to 12%.

5. Three log grades were referenced in the Muddy Sled cruise plan. Sales with products other than saw timber can have only Grade 1 and Grade 8. Sales with only saw timber can have only Grade 1 and Grade 9.

6. Sandbox and Cornet Hazard Salvage should reference the "Timber Cruiser's Field Guide to Disease and Insect Damages and Defects of Pacific Northwest Conifers" (blue Hessburg book) as a base for determining defect when applicable.

7. Cruise plan for Muddy Sled referenced Region 6 Tatum aids with two different dates.

8. On all sales, it was observed that some of the cruise cards had initials only of the cruiser and not the complete name. As directed in the Timber Cruising in the Pacific Northwest, Basic Cruiser Training Workbook, full names shall be used for proper identification of the cruiser.

Findings

1. The cruise plan for Sandbox TS stated, "all units that use area based cruise methods were not GPS'ed using regional requirements……Equipment utilized is different than as stated in the FSH 2409.12." At this time we have no allowance for using equipment that does not meet the minimum standard.

   Required Action: Refer to requirements in 2409.12, Chapter 50. Forest must meet equipment and software standards.

IV. Timber Sale Contract Preparation and Layout

Observations

1. Traffic Control Plans for the 3 sales reviewed were not signed by the Forest Service or Purchaser as required by BT6.33.

2. T-specs are an attachment to the contract and not part of the main body of the contract.

3. In Muddy Sled Timber Sale contract, the following statement is in CT6.6#, 'Forest Service will provided adapted seed. Purchaser agrees to make a CO-operative Deposit for this seed in the amount of $15 per pound of seed issued and not returned.' There is no authority or financial basis that allows this collection. Also, the timber sale did not have the statement in the contract for the collection of a co-op deposit of $0.04/CCF for replacement seed.

4. In the General section of the Prospectus, several '#' which indicate the provision has fill-ins were not part of the provision numbers. In contracting, the entire number is necessary when referencing a specific provision.

5. In AT2 of the Sandbox Timber Sale, under 'Species' in the table, the correct entry is 'White Fir and Other Coniferous Species'. 'White Fir and Other' does not add any other species to the contract.

6. Sprinkling borax powder on certain stumps is a practice that has occurred for many years. Direction from the region has been to discontinue calculating and including the cost in the appraisal as this cost is typically minor in nature (pennies), and has been in the regional timber sale database and Base Period Prices for more than a decade.

7. Seeding was appraised for erosion control on skyline corridors on the Sandbox timber sale. The purchaser was not required to seed the skyline corridors. This is a windfall for the purchaser. The purchaser should either be required to seed the corridors or this work should not be included in the appraisal as this changes the appraised rate.

8. The region has sent out direction not to appraise for hand-falling in units with mechanical harvesting. The purchaser includes a cost for hand-falling in their bid knowing there will be trees that are larger than their machine can cut. Also, since this cost has been part of their bids, the cost is in Base Period Prices.

9. 'ATP' was shown on the Muddy Sled Sale Area Map in several locations. It was discovered post award that two 'ATP' locations did not contain the objects needing

protection. One was an archaeological site and the other was a Goshawk nest tree. Only locations or objects needing protection should be on the Sale Area Map.

10. On the Sandbox Timber Sale Area Map, BT6.22 Protect Improvements was used as a reference to protect a sensitive plant site. BT6.24 Protection Measures Needed for Plants, Animals, Cultural Resources, and Cave Resources is the correct reference.

11. For sales that typically have only one bidder, the 'Competition Factor' should be set to '0' on the TEA input screen.

12. Boundary trees
    a. Boundary trees on the Muddy Sled TS had paint below the tags, there was no paint on several trees and only slight overlap of paint on others so that if the tag was removed there would be no evidence that the tag was there. "All boundary tags must have a tracer paint slash painted on them which overlaps onto the tree". Pacific Northwest Region Timber Product Accountability Action Plan dated April 2010 at time of layout.
    b. Boundary tree stump marks on the Muddy Sled TS were several inches above the ground on the high side of the tree and faded. The Wallowa-Whitman Product Accountability Action Plan says that "All stump marks will be at ground line and preferably in a bark fissure" and FSH 2409.12 – 71.7 dated Dec 2009 says "Make the stump mark large enough to be conspicuous if scraped or chipped off. When possible, mark on the low side of the tree, or where it is less likely that the mark could be removed by cutting the tree."
    c. The Sandbox TS unit boundary was marked using white paint, while white paint is an acceptable tertiary color for boundaries, it is only to be used if there is existing orange or pink paint which are the nationally designated primary and secondary colors to use for leave and boundary trees as noted in the Regional Product Accountability Action Plan.

    RECOMMENDATION: Follow appropriate accountability plans and ensure that paint on boundaries adequately covering the tag and that butt marks are located at ground level on the low side of the tree.

13. Cable yarding analysis.
    Profile analysis of required skyline operations on the Sandbox EA showed a minimum payload on one corridor as only 141 lbs. This is infeasible, and the analysis should have been reanalyzed using different equipment or that part of the unit should have been dropped.

    RECOMMENDATION: Focus some training time for timber crew on skyline logging, analysis and SkylineXL.

14. Pre-sale documentation.
    a. The "green cards" at the La Grande RD and the "Timber Sale Appraisal Report" at the Wallowa Valley RD are very useful documents with good information. Recommend doing each (or something similar) across the forest.

b. The Muddy Sled TS has great data saved on the O drive, recommend adding similar level of digital data storage across the forest.

15. Skidding slope requirements
The current W-W 1990 Forest Plan, page 4-50, paragraph #11, limits "ground based logging equipment to 30% or less. Logging Specialists should interpret this as favorable ground based skidding trails limit to -30% and adverse ground based skidding trails limit to +20%. Both Sandbox EA and Muddy Sled EA have 35% as the general max skidding with up to 50% allowed.

16. On the Muddy Sled timber sale a survey monument in the unit 28 (N1/4 Sec. 30, T3 N, R 44 E) was identified on the Sale Area Map and the corner records show that corner was visited and maintained to standard in 1985. During the site visit to this area personnel from the forest and the team were unable to locate the monument.

17. On the Muddy Sled Timber Sale, logging systems required for each harvest unit were not shown on the Sale Area Map.

18. On the Muddy Sled Timber Sale, the Sale Area Map shows protected stream courses going through units, but ground truthing indicated they were not there.

19. In Cornet Hazard Salvage there were two CT5.32# pages and two CT6.22# pages in the contract. These pages were completed outside of the TIM program. Direction is to use the TIM generated provision in the official contract.

Findings

1. In the Muddy Sled TS, all saw timber was cruised and volume processed to a 6.0" Top DIB. When reviewing the contract, it states the minimum Top DIB as 5.0". This resulted in the volume being removed that was not accounted or appraised for.

   Required Action: Reviews need to be completed to ensure the contract specifications are the same as the cruise specifications.

2. Several KV, BD, SSF Plans were either not signed or were signed by unauthorized personnel.

   Required Action: Refer to FSM 2404.21, a., which states 'The authority to approve sale project plans, including the Sale Area Improvement (K-V) Plan, Salvage Sale Fund Plan, Brush Disposal and Collection Plan, the Gate 1-4 Certifications for the Timber Information Manager (FSM 2430), and the Timber Sale Implementation Plan (FSM 2430 and 2470). This is a line officer function and may not be delegated below the district ranger.' The person who signed the NEPA document, and has been delegated authority to do so, is to sign the Plans and TIM Gate Certifications (Gates 1-4). An acting not delegated the authority to sign cannot sign the Plans.

3. There were several incidences where tables associated with contract provisions were of a different font and size from the TIM generated contract. This is a repeat Finding from the 2011 Audit.

   Required Action: Tables inserted into the contract are to be completed using Courier New font size 10 to match the TIM produced timber sale contract.

V. Timber Sale Accounting

Observations

1. In the Contract file for Cornet Hazard Salvage, the original bid bond is still on file. This bid bond should be returned to the purchaser once the contract has been executed by all parties. 6509.11k, Chapter 80, section 83.3.

2. Muddy Sled SSF plan could not be found, however there are collections shown in TSA with a collection limit of $83,303.00.

3. Muddy Sled Timber Sale official month end statement of accounts contained hand written notes on them. Official file copy should be free of handwriting other than the initials and dates of review. Any comments should be entered in the comments section of the statement of account.

Findings

1. The Forest is collecting SSF on some of their special forest products, but the SSF plan on file was signed in 2010. This plan has not been reviewed or updated since issued. The SSF plan needs to be reviewed, and if necessary, updated annually by the Forest Supervisor and if no change is needed the review should be indicated by the presence of initials and date of review.

   Required Action: Annually review the forest SSF plan and update as needed per FSM 2400-2430-2435.04h, Forest Supervisor, which states: 14. Review annually, and update, as needed.

2. Gate 4 certificate for the Sandbox Timber sale contains no eligible or funded KV amounts, however KV is being collected through TSA and a plan with a plan date of 08/18/2014 is on file, and was completed prior to advertisement. Gate 4 certificate for the Muddy Sled Timber sale is unsigned. Further, the Gate 4 certification contains no eligible or funded KV amounts, however there is a KV plan on file at the district dated 04/11/2012. The KV work needs to be included in the Gate 4 cert as part of the advertisement.

   Required Action: Per FSH 2432.4-Gate 4: Advertise a Timber Sale or Stewardship Contract. This activity includes the preparation of the appraisal report, advertisement, bid form, prospective bidder letter, prospectus, Sale Area

Improvement Plan, Brush Disposal Treatment Plan, Salvage Sale Fund Plan, and sample contract.

3. On the Muddy Sled Timber Sale, a bill for collection was created on 12/16/2015 with a due date of 12/31/15. Bill was paid on 01/04/2016. Contracting Officer had hand written on the bill for collection "Interest and Administration fees waived due to holidays and loss of working days". Interest and Admin fees cannot be waived by the Contracting Officer.

   Required Action: Create a bill for collection for interest and administrative fees for this billing following Chapter 70-ATSA Operating Procedures.

VI. Timber Sale Administration

Observations

1. On the Muddy Sled Timber Sale contract, the Sale Administrator's documentation in the contract folder was minimal and difficult to follow.

2. Tracer paint testing is not being completed by all sale administrators on boundaries and tree designations. Requirements are Inspectors must check for the presence of tracer paint on each active sale unit as a function of normal sale administration. If a unit takes more than one month to complete, check for the presence of tracer paint on a monthly basis. Document findings on the sale inspection report. References FSH 2409.15, sec. 13.4 and 2409-12 Chapter 70, 72.3 Testing.

3. After hour inspections on operational sales are not being performed on Sandbox and Cornet Hazard Salvage Timber Sale. This was a R6 Emphasis Item for 2015. Wallowa-Whitman Forest Product Accountability Action Plan addresses ways to facilitate to achieve this requirement. In discussion with Harvest Inspector on Muddy Sled, weekend checks are being performed during operations. Recommend that when these are documented it should be highlighted that this is a weekend or after hour inspection.

4. Field Representative Jim Adams delegation of Authority for the Muddy Sled Timber Sale had an expiration date of 12/31/2013. Mr. Adams has been signing the 2400-131, Timber Sale Inspection Reports with no current delegation of authority.

5. In Cornet Hazard Salvage, the award letter was not addressed to the awarded Purchaser. It was addressed to a person, not the company.

6. Commend the Forest Service Representatives for notifying Purchasers when Payment Units are complete and accepted and eliminated from the sale area via letter.

7. In Sandbox, the Purchaser requested to the Contracting Officer (CO) for Contract Term Adjustment for fire salvage in Region 4. In review, the Team did not find the CO's answer to this request. Other documentation issues include:
   a. Out of 9 Payment Units currently released only 3 requests from the Purchaser could be found in writing.

b. No 2016 operating schedule on file.
c. BT6.33 Traffic Control Plan not in CO contract file.

8. In Muddy Sled Timber Sale, there are two page 3, 5 and 7 in the AT section of the contract. The CO has completed changes to the contract and there is no identification as to what pages are the current pages. Recommend that when a modification to the contract provision is executed, the new pages should have a revision date, such as (Revised 4/16).

9. Cornet Hazard Salvage Timber Sale Payment Units 15, 16, 22, 23, 24 were released by as much as 2 weeks prior to Purchasers written request. The Team could not find any prior written requests. Payment Units 2, 4 and 35 were released by as much as one month after Purchasers written request.

10. The Sandbox Timber Sale required hand falling and winching of trees required in steep portions of unit 2, the decision was made to allow a forwarder to operate instead. Significantly more soil damage was observed in the steep areas that were supposed to be winched.

Findings

1. The Forest has not conducted any District accountability audits since the 2011 Regional Accountability Audit. FSH requires one accountability audit per district at a minimum of every 2 years. This is a repeat finding from the 2011 Regional audit. It is noted that the W-W Product Accountability Action Plan (2016) specifies that each District will be audited once every three years. (Section VII. A.)

   Required Action: Follow FSH 2409.15, chapter 28.2 and the W-W Product Accountability Action Plan as it applies to District accountability audit requirements.

2. Muddy Sled Timber Sale species breakdown is Douglas-fir, White Fir & Other for sawtimber, Douglas-fir for Grn Bio CV. A review of the units revealed that purchaser has been removing other species under the Green Bio CV specification which results in the Purchaser removing timber not included in AT2.

   Western Larch is usually grouped with Douglas-fir in species and rate breakdown as it's a higher valued species. Under this contract Western Larch is not grouped with Douglas-fir and is being charged and paid for at a lower rate species group.

   Required Action: White Fir and Other Species under Grn Bio CV are not Included Timber on the Muddy Sled Timber Sale, the Purchaser shall not be allowed to remove any of this product until an agreement is in place for proper compensation. In future contracts, Western Larch shall be grouped with Douglas-fir.

3. Delegation of Authority for Harvest Inspector on the Muddy Sled Timber Sale. Forest Service Representative (FSR) has modified the Regional FSH Supplement in 2450

chapter 10 designation matrix for Harvest Inspector (HI). FSR has no authority to make these changes to the Matrix.

Required Action: Delegation shall be rescinded and Forest Service Representative shall issue a new Delegation of Authority following FSH 2409.15 chapter 10, R6 Supplement No 2409.15-10-2015-1 effective January 1, 2016.

4. On all the Cornet Hazard Salvage Timber Sale, contract provision CT5.12# included wording from the deleted special provision for equipment cleaning which required self-certification by the Purchaser. This wording is in direct contradiction to standard provision BT6.35. This is a repeat finding from 2011.

   Required Action: Do not add text to Special Provision CT5.12# from an outdated provision related to equipment cleaning and self-certification.

VII. LEI

Observations

The Team did not have an LEO as part of the audit. We were accompanied by LEO Grant Cooper to the Sandbox sale. He noted that Sale Administration personnel communicate with him by email, noting when and where operations have started. He expressed interest in further training in timber, however his workload and patrol areas have recently increased. He noted that illegal firewood cutting is a fairly common occurrence and he can't fully investigate most of the incidents.

The Team recommends that all LEO's assigned to the Forest attend the Basic Timber Sale workshops/trainings to better understand the full spectrum of a commercial timber sale. It would provide mutual understanding of the problems that occur contractually, and the vulnerabilities we face. Many of the new LEOs are coming from other agencies and do not have the natural resource background. The learning curve for this can take years to fully understand.

VIII. Engineering

Observations

1. Signing observed on road access to Cornet Hazard Salvage Timber Sale met the intent of MUTCD standards for sign placement (height) and materials (BT6.33) with the exception on one "Logging Ahead" sign for size and materials. A few signs near the operations area were mounted to burned trees. The reason given was the ground was frozen during the time of installation. The sale admin team used sound judgement to meet the spirit of the provision given the field circumstances.

2. All three sales reviewed had hauling restricted to dry or frozen conditions under CT 5.12#. The statement ties back to the NEPA for each sale. The current Commercial Road Use Rules define neither dry nor frozen conditions. The team recommends that the Commercial

Road Use Rules be updated to clearly define what dry and frozen conditions mean so that the sale administration team and the purchaser are on the same page.

3. Inputs by the Forest Service into T-specs for treatment of invasive weed species by the Purchaser are not completed. In Muddy Sled, T-811 Blading, under 811.02, B, 5, in the table, the heading is 'Invasive Species of Concern Prevention Practices'. The entry is 'see Sale Area Map for location'. The T-spec is asking for the practice or method to control invasive species, and the SAM is referencing the location.

Findings

1. Surface rock replacement deposits were not calculated, appraised or collected on the Muddy Sled timber sale. The collection of these deposits was deemed to be offset by spot rocking performed on road 3021 under maintenance specification T-813. The placement of maintenance rock by the use of this specification does not constitute surface rock replacement in lieu of the collection of deposits. District Rangers do not have authority to waive the collection.

   Required Action: Future sales will collect deposits for surface rock replacement included in the appraisal in accordance with FSH 7709.59-63.33, 63.41 2b(1), unless waived by the Chief of the Forest Service or unless an equivalent value of a designed crushed aggregate lift is being placed on haul routes as specified road reconstruction. The forest shall identify in a Forest supplement the roads that are eligible for road surface replacement by maintenance deposits. R6 Supplement FSH-7709.58-2003-1 13.

2. The Road Maintenance Requirements summary chart under CT5.31# for Sandbox timber sale is not filled out in accordance with the requirements of the provision. The chart shows "X" where "P" was to be entered. Muddy Sled Special Provision CT5.31# Road Maintenance, the 'PR' code was used instead of 'P'. 'PR' is not defined anywhere in the contract. Without the proper symbol, the Purchaser is not required to perform any road maintenance work.

   Required Action: All future sales shall have the summary chart filled out in accordance with the provision where P=Purchaser Performance Item, D=Deposit to Forest Service and D3=Deposit to third party. The CO shall evaluate whether any further contract action is required.

3. The Road Maintenance Requirements summary chart under CT5.31# for Sandbox and Cornet Hazard Salvage Timber Sales both show "D" (Deposit to Forest Service) under T-813. The appraisals for both do not reflect any deposits made to the Forest Service for this item. Contract operations on Muddy Sled Timber Sale on 6/30/2014 show the purchaser placing surfacing material. According to the summary chart this work should have been provided by the Forest Service not the Purchaser.

   Required Action: All future sales will have the summary chart filled out in accordance with the provision where P=Purchaser Performance Item, D=Deposit to Forest Service and D3=Deposit to third party. If the Forest Service wants to collect deposits under CT5.31#

then the Forest Service should expect to perform the work by force account or contract. The CO shall evaluate whether any further contract action is required.

IX. Program Coordination

A. The Team reviewed the ODOT Highway 245 hazard tree contract in conjunction with operations on the Cornet Hazard Salvage Timber Sale. This project was undertaken to mitigate hazard trees along the State highway on National Forest land and State R/W land. Several observations were noted:
   1. The Forest is commended for taking advantage of the State's offer to address danger trees along the highway, including those on NF land. This probably resulted in a quicker and less expensive end result than if the Forest attempted to do it alone.
   2. Coordination between the State and the Forest started early. Most of the appropriate problems were addressed. Sale administration personnel should have been included in the early discussions since the most reasonable log decking area was within a Payment Unit of the Cornet Hazard Salvage Timber Sale.
   3. There are numerous trees marked by the FS that have not been cut in areas already completed by the State's contractor. Some of these trees may not meet the State's definition of a danger tree, but their contract clearly states: "All white-marked trees are owned by USFS and must be felled." (contract page 10) This creates a liability for tort due to identified danger trees still on the landscape. The Team recommends follow-up by the District Ranger to address this situation.
      a. White-marked trees that were not cut should be re-evaluated by the Forest according to the Danger Tree policy.
      b. There are several options for cutting those trees that do indeed need to be cut: ODOT's current contractor, ODOT's own crews, FS crews, separate FS contract.
      c. The Forest should black out those trees that are not deemed to be danger trees indicating they have been evaluated.
   4. The State's contractor proposed a change to its operation to process whole logs at the decking site in Payment Unit 9. This change required the Forest to reach agreement with the Cornet purchaser on use of the area so as not to delay or impact the purchaser's operations. Sale Administration personnel are to be commended for working out these agreements to everyone's satisfaction.

B. NEPA Review. The Team noted that the NEPA documents for Cornet Windy Ridge Fire Danger Tree Abatement, Muddy Sled Vegetation Management Project and the Sandbox Vegetation Management Project Environmental Assessment have a few inconsistencies or create challenges for the implementation of the projects. For example:
   1. The Cornet CE states that "Snags felled for safety reasons would remain onsite to contribute to course wood where course wood amounts are deficient". Since all of the trees were felled for safety, the Team didn't find an analysis determining the course wood was sufficient in the area and removal could occur.
   2. Harvesting operations or hauling was also restricted to dry or frozen conditions in all NEPA documents. The definition of dry or frozen conditions

is ambiguous and the purchasers operations are subject to Forest Service personnel direction. Directing the purchasers operations makes the government vulnerable to claims under the contract.

C. Staffing and Skills. As the pace and scale of restoration increases, several issues come into play including the need to treat steeper ground using other logging systems, and larger but less site-specific NEPA efforts that require on-the-ground surveys and recon during prep. The Forest should take these things into account during workforce planning. Adequate sale prep and admin skills are important to maintain and increase, particularly skyline logging analysis, layout, engineering, transportation planning, and contract prep.

D. Designation Methods for Use in Timber Sales

The Forest asked about requirements, pros, and cons of Designation by Prescription (DxP). DxP is one of the tools available and, like others, has pros and cons. The use of DxP reduces the cost of sale preparation (less staff time and no marking paint). By not marking, implementation could occur sooner than if the units are all marked. In order to use DxP, however, the forest has to have clearly understood prescriptions since the purchaser will be selecting the trees to be cut or left. The desired conditions have to be clearly articulated so the end result produced by the purchaser is what the Forest Service intended. The use of DxP increases the contract administration workload over other forms of designating timber, particularly in monitoring the actual cutting of the purchaser-selected trees and the end results. It requires personnel and skills to accomplish scaling, such as surveillance of haul routes, accounting and auditing scale receipts, and developing alternate scaling agreements. In order to use DxP, the Forest Supervisor has to ensure that staff with the necessary skills and certifications are available to administer timber sales and stewardship contracts. If the forest's timber theft plan does not include scaled sales, the plan must be updated before this method is utilized. There may be additional costs to the purchaser and these will be reflected in their bids.

National direction for DxP is found in the Stewardship chapter of the K-V handbook (FSH 2409.19, Chapter 60) and in the May 20, 2015 letter from the Washington Office.

Selection of the Designation Method

Forests have four primary designation methods; Individual Tree Marking (ITM), marking cut trees, Leave Tree Marking (LTM), Designation by Description (DxD) and Designation by Prescription (DxP). They are all tools that can be used to specify the removal of timber and are commonly used in combination. There is no definitive evidence that DxP is more cost effective or efficient than ITM, LTM, or DxD. When deciding what designation tool(s) to use, line officers should consider the size and capacity of the current organization, the composition of the stand to be treated, the complexity of the prescription, and the desired end result. For example, a combination of methods could include DxD and ITM where the 7.0" to less than 9.0"

DBH trees would be described as all trees to be removed. The trees from 9.0" to less than 21.0" DBH would be marked with blue tracer paint (ITM - cut tree marked), and all trees 21.0 inches and larger would be retained (DxD).