

Statement of Work

Audit Management of State Forest Lands

Department of Conservation and Natural Resources Bureau of Forestry

I. SCOPE OF WORK

The Pennsylvania Department of Conservation and Natural Resources (DCNR), Bureau of Forestry, requests services of a contractor to conduct third-party forest management certification and subsequent annual surveillance audits on the bureau's state forest lands for maintaining forest management certificates under the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC).

Questions regarding the technical aspect of this bid should be directed to Michael Hoffman, Forest Resource Planner, at 717-783-0387 or michahoffm@pa.gov. Questions regarding the bidding or contracting procedures should be directed to Carol Durham at 717-783-3309 or cdurham@pa.gov.

II. BACKGROUND

The Bureau of Forestry (herein the "bureau"), empowered by legislation under the Pennsylvania Constitution, i.e., Article I, section 27, practices ecosystem management on approximately 2.2 million acres of publicly owned state forest lands. The state forest lands system totals 2.2 million acres, i.e., approximately 8% of Pennsylvania's total land mass (approx. 29 million acres) and approximately 13% of the total forested acres of the commonwealth (approx. 17 million acres). State forest lands are distributed non-uniformly but tend to occur towards the spatial center of the commonwealth.

The bureau gained certification from the Forest Stewardship Council in 1998 and has been the recipient of certification services from the certifying bodies: SCS Global Services and the Rainforest Alliance. Most recently, the bureau has been the recipient of services from SCS Global Services-a service agreement that expired in 2017.

III. TASKS

- A. Audit the management of the Pennsylvania State Forest system against the Principles and Criteria of the FSC US Forest Management Standards and SFI Forest Management Standards.
 1. Re-certification for calendar year 2018 to include an audit and produce written reports of the audit findings before the end of each calendar year.
 2. Conduct annual surveillance audits to maintain certifications in years 2019 through 2022.

IV. CONTRACTOR REQUIREMENTS

- A. General
 1. Contractor must be a United States-based company with offices located in the United States.
 2. The contractor is to provide third-party dual certification of the bureau's state forest lands in conformance with the most current FSC and SFI forest management standards.

3. The contractor must be able to demonstrate conformance with current SFI Section 9: SFI 2015-2019 audit procedures and auditor qualifications and accreditation, and will be prepared to perform a certification audit in a manner that conforms to current guidelines of SFI Section 9 or most recent version. The contractor must also be accredited by the FSC General Accreditation Standard (FSC-STD-20-001) to perform an audit. In performing the dual audit, the contractor will be expected to perform an impartial audit of Pennsylvania's state forest system to determine conformance with the SFI 2015-2019 standard (or most recent version) and the FSC 2010 Forest Management Standard (or most recent version).
4. The contractor may subcontract portions of the audit to another firm, so long as the combination of bidder and subcontractor is certified to audit both the SFI and FSC program and meets the staff qualifications described below.
5. During the project period, personnel not previously identified in the vendor's proposal/bid may only be substituted for another person or added to the project team when approved in writing by the DCNR Program Office Project Manager. Any proposed personnel substitutions must be qualified and must meet all the requirements of the Statement of Work.
6. Dual audits will be held simultaneously and occur between late August and the end of September each year as covered by a five-year agreement that will result from this contract.
7. The resulting contract will be comprised of annual audit activities performed under a fixed price. The prices approved at the contract award by fiscal year are the prices to be utilized throughout the duration of the contract.
8. The new contractor will consult with the previous certifying body to become educated on previous audit reports.
9. If the bureau fails to be awarded SFI or FSC certification following any of the audits, the remainder of the contract for the annual audits regarding the standard or standards that the bureau has failed to be awarded will be void.

B. Staff Qualifications

1. List all personnel who will conduct the required work and provide resumes or Curriculum Vitae detailing their background, education, training, qualifications, and work experiences. Identify which team member will perform the duties of Lead Auditor.
2. References and Experience requirements must be attached to your bid submission.
 - a. References of prior FSC and SFI certification audits (audits in the Appalachian Region as defined by FSC) with in the past five (5) years is preferred.
 - b. Demonstrated experience (i.e., proof of previous audits and certificates awarded).
3. Personnel must have experience assessing a broad spectrum of natural resource management issues, including: forestry and silviculture, wildlife habitat and species management, ecosystem services, conservation biology and biodiversity, fire ecology, infrastructure logistics, and recreation management.
4. Personnel must include at least one forester with a Society of American Foresters accredited undergraduate or graduate degree, plus a minimum of three years' professional experience.
5. Substitutions of key personnel will be subject to review and approval by the bureau.

C. Deliverables and Timing

The offeror shall provide a description of the deliverables along with a detailed work plan with bid submission that identifies the required tasks to be accomplished and associated completion dates. This will be used as a scheduling and managing tool.

The bureau requires the following:

1. Audit Plan and Schedule

- a. Describe the process, methodology, and timeline for planning and conducting forest management re-certification assessments and annual surveillance audits.
- b. The awarded contractor will be required to provide the bureau notice of locations and audit along with the criteria used to select specific field sites, requested or necessary documentation, and a list of bureau staff expected to participate in the audit no later than one (1) month after bid is awarded. Any changes to the audit plan will require bureau approval. Audit will be expected to occur in the fourth week of September each year.
- c. For subsequent years of this contract 2019 through 2023, contractor will be required to provide the bureau with at least six-month notice (approx. March 31st) of locations and audit dates and at least three-month notice (approx. June 31st) of the audit focus topics, criteria used to select specific field sites, requested or necessary documentation, and a list of bureau staff expected to participate in the audit. Any changes to the audit plan will require bureau approval.
- d. The successful contractor will also be required to work closely with the bureau to develop a process for selecting specific audit field sites. The bureau requires at least one-month notice of the primary candidate audit field sites. Specify field sampling method and explain how methods weigh risks of non-conformance and your interpretation of scale and intensity as it applies to the bureau.
- e. Provide two general field audit agendas (one for the re-certification assessment versus annual surveillance audits) performed in the last five (5) years, specifying the types and numbers of work areas and field sites to be visited. Include any public meetings, briefings or de-briefing sessions.
- f. Describe any stakeholder consultation procedures that will be applied prior to or during the audits.
- g. The bureau requires a field audit schedule that occurs between late August to the end of September.
- h. Dual audits are expected to run concurrently.

2. Audit Reports

- a. The bureau expects draft audit reports not more than 30 days following the conclusion of the annual audits.
- b. Detail any supporting materials, services, or information required from the bureau.
- c. The bureau shall be allowed a minimum of 30 days to review, comment, and approve draft reports before they are finalized.

3. Non-Conformities and Corrective Action Requests (CARs)
 - a. In your bid submission include a description of the procedure, timeline, and approach to address CARs.
 - b. Describe the process and approach of working with clients to identify practical corrective action measures.
 - c. Successful respondents will be expected to honor the bureau's previously accepted CAR responses and closures.
 - d. Describe your perspective and operational interpretation of the FSC and/or SFI Chain-of-Custody (CoC) process and documentation requirements relative to the bureau's timber sale process.
4. Payment of Dues to the SFI State Implementation Committee
 - a. On the bureau's behalf, the contractor shall make timely payments to the SFI State Implementation Committee (SIC) for annual participation dues.
 - b. Said dues should be reflected in total contract bid, and awarded contractor shall make said dues itemized in each annual invoice.
 - c. Said dues shall cost **\$10,026** annually.

V. CONTRACTOR REFERENCES:

After the bid opening, and prior to awarding the contract, the Department has the right to request references (names, addresses, and telephone numbers) of similar audit work performed in the previous two (2) years as proof of qualifications to perform the work outlined in this contract.

References are an optional tool available to the Department to help determine bidder capabilities. If any of these references are requested and the bidder cannot supply the necessary documentation and proof of compliance, the Department reserves the right to reject the bidder. The decision to both request references or reject bidders based on inadequate reference will be made solely at the discretion of the Department.

VI. INSURANCE REQUIREMENTS

The contractor shall purchase and maintain, at its expense, the following types of insurance, issued by companies acceptable to the Commonwealth.

- A. Workmen's Compensation Insurance for all of the Contractor's employees and those of any subcontractor, engaged in work at the site of the project as required by law.
- B. Public Liability and Property Damage Insurance to protect the Commonwealth, the Contractor, and any and all subcontractors from claims for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property including the loss of use resulting from any property damage, which may arise from the activities performed under the Contract, or the failure to perform under the Contract, whether such performance or non-performance be by the Contractor, by any subcontractor, or by anyone directly or indirectly employed by either. The minimum amounts of coverage shall be \$250,000 per person and \$1,000,000 per occurrence for bodily injury, including death, and \$250,000 per person and \$1,000,000 per occurrence for property damage. Such policies shall be occurrence rather than claims-made policies and shall not contain any endorsements or any other form designated to

limit and restrict any action by the Commonwealth, as an additional insured, against the insurance coverage in regard to work performed for the Commonwealth.

Prior to commencement of the work under the Contract and at each insurance renewal date during the term of the Contract, the Contractor shall provide the Commonwealth with current certificates of insurance. These certificates or policies shall name "The Commonwealth of PA-DCNR" as an additional insured and shall contain a provision that the coverage's afforded under the policies will not be cancelled or changed until at least thirty (30) days written notice has been given to the Commonwealth. These certificates shall include the location and a brief description of the work to be performed under the contract.

The Commonwealth shall be under no obligation to obtain such certificates from the Contractor(s). Failure by the Commonwealth to obtain the certificates shall not be deemed a waiver of the Contractor's obligation to obtain and furnish certificates. The Commonwealth shall have the right to inspect the original insurance policies.

VII. CONTRACT TERM

The term of this contract shall commence upon execution and receipt of purchase order and Notice to Proceed letter and terminates June 30, 2023.

VIII. SOLICITATION LINE ITEM BREAKDOWN

The following is the line item breakdown for the expected services provided in this solicitation:

- A. FY 18 Certification Audit: This must encompass all professional fees, including audit planning, public notification, stakeholder consultation, office and field reviews, and report development, comments, and final production. This must also include the Annual Accreditation and Administration Fees (Refer to section IV., C., 4., c.)
- B. Annual Audits (FY 19 through FY 22): This must encompass all professional fees, including audit planning, public notification, stakeholder consultation, office and field reviews, and report development, comments, and final production. This must also include the Annual Accreditation and Administration Fee (Refer to section IV., C., 4., c.).
- C. Reimbursable Expenses: This will be added after the solicitation is closed for award, as this is not a competitively biddable item. Payment shall be made on a reimbursement basis for actual parking costs and approved travel expenses incurred during the period of contract. Travel reimbursement shall be at or below state rates found in the most current version of the Commonwealth's Management Directive 230.10, Travel and Subsistence Allowances, and shall require the same documentation as required of state employees.

IX. BID AWARD

Bidder must complete and return the following:

- A. The electronic Invitation for Bid to be found at www.pasupplierportal.state.pa.us
- B. References of prior FSC and SFI Certification audits must be provided.
- C. A copy of the resumes or curriculum vitae for personnel who will conduct work must be provided for award of bid.
- D. Provide a description of the deliverables along with a detailed work plan that identifies the required tasks to be accomplished and associated completion dates.

- E. Provide a description for Non-Conformities and Corrective Action Requests (CARs) as outline in section IV.,C.,3.,a.-d.

The unit price shall include all labor, materials, equipment, tools, insurance, and all items necessary for completion of the project.

The bid will be awarded based on the total sum of all blocks as indicated on the IFB-Invitation for Bids.

Quantities are estimated and may increase or decrease per actual agency need.

The Department will only accept out to two decimal points when entering your "Unit Price" figures in the Invitation for Bid.

Please keep in mind that this solicitation will result in a purchase order spanning a five (5) year term. Vendors are asked to take this information into account when inputting pricing for future years.

XI. PAYMENT TERMS

Payment shall be made upon satisfactory completion of each annual audit and report. Acceptability of each annual audit and report shall be exclusively within the discretion of the Department. Any deficiencies will be corrected by the contractor at no expense to the Department.

XII. INVOICING

Invoice format shall be in accordance with the IFB – Invitation for Bid.

All invoices for this contract MUST either be:

- A. Emailed to the following for a Paperless Email Invoice Option:
Email a copy of the correctly executed invoice to: 69180@pa.gov.

For information on the Commonwealth's E-Invoicing Program, visit:
<http://www.budget.pa.gov/Programs/Pages/E-Invoicing.aspx>.

- B. Or mailed to the following address:
Commonwealth of PA – PO Invoice
PO Box 69180
Harrisburg PA 17106

All invoices MUST have the purchase order number as well as your SAP Vendor Number on the invoice. The name and address listed on the purchase order must also be listed on each invoice. Failure to provide this information may result in a delay of payment.

Please Note: Vendors are reminded to **NOT** include employer identification numbers, Social Security Numbers, bank account information, or other personally identifiable information on their invoices. That information is uniquely tied to your SAP Vendor Number and, for security purposes, should not be explicitly stated on an invoice.

XIII. RECEIPT AND OPENING OF BIDS

Bids must be submitted via the PA Supplier Portal, to be found at www.pasupplierportal.state.pa.us. Fax bids and mailed bids will not be accepted.

No responsibility will be attached to any employee of the Department for the premature opening of, or the failure to open, a bid not properly addressed and identified, or for any reason whatsoever.

XIV. BID RESULTS

Bidder can obtain bid results by accessing <http://www.emarketplace.state.pa.us/BidTabs.aspx>. The bids will be posted within three (3) business days following the bid opening. The results are the apparent bidders, and all bids are under review until final award of the purchase order.