

REPORT TO MCFC BOARD OF DIRECTORS

Date: August 4, 2010

To: MCFC Board of Directors

From: Marc von der Gonna, RPF
General Manager, MCFC

Subject: How to get work with MCFC

Background

From its inception, a key expectation in the creation of the McBride Community Forest was the goal to create and/or retain local jobs in the forest sector. Local stakeholders wanted fair access to timber, fibre, or employment (contracting opportunities). The concept proposal talked about creating opportunities and jobs, and the initial and updated management plans contain strategies for making wood available.

Initial Board of Director policy decisions defined "local" as being anywhere within the former Robson Valley Forest District boundaries (essentially Crescent Spur to south of Valemount). Key principles in policy development have been:

- hire/supply/buy local
- provide fair access to work
- get value for money spent
- receive quality work
- run MCFC as a business, not a social service

In the spring of 2004 the Board of Directors approved a "contracting policy" which reflected these key principles.

Over the past 7 years of operation, MCFC has created significant job opportunities, provided wood locally for manufacture, and has, at times conducted substantial operations under contract. However, with the current economic downturn, especially within the forest sector, MCFC has been criticized for not doing more to create employment. As well, issues raised to the "Take Back Our Forest" group have demonstrated a certain level of distrust with regards to our hiring/contracting practices and policies.

At our June Board of Director's meeting, Chairman Thompson announced the goal for the MCFC to be more transparent and proactive in getting information out to the public regarding MCFC's policies, accomplishments and actions. In response to the criticism with regards to access to work, the GM was asked to prepare this report to the board (and then to the public) detailing out how someone could get work with the MCFC.

Discussion

For those seeking to get work with MCFC, there are a variety of ways to do so.

Perhaps the most straight forward method is through direct employment as a contractor. Under policy, MCFC staff will solicit interest of companies wanting to do work for MCFC. This is done by periodically advertising in the local papers. Local companies who express an interest are put on an eligibility list. Companies can register on this list at any time. When MCFC has work to be done by contract, MCFC staff determine whether or not the work is best suited for a direct award contract or tender. Under direct award MCFC staff go through the list of eligible contractors and determine which are suitable to do the work. They then go through this select list and contact the various contractors until they find one that is available to do the work. The intent is to cycle through the list and try to balance the work amongst the available contractors. Under tender, MCFC staff send out tenders (invitations to bid) to all the suitable contractors on the list. Once the bids are received, MCFC staff evaluate the bids and choose a successful bidder.

A second method of direct employment is through the hiring of temporary staff under government grant programs, such as the Job Opportunities Program. These opportunities are advertised and suitable potential workers self-identify themselves to MCFC. MCFC staff then hire workers off this list as work items arise. Under JOP MCFC provided short-term employment to 33 different workers and 12 different contractors/suppliers. Unfortunately these programs are starting to dry up.

Another form of work is as a licensee in our Small Market Logger (SML) program. Under this program we sub-license individuals or small local companies to harvest and market small volumes of wood under our license. This program is open to all to apply, however, they must be prepared to meet certain criteria with regards to WCB, BCFSC certification, have suitable equipment (or contract such), etc.... Potential SML's identify an area that they wish to apply for and make a proposal to MCFC. MCFC staff evaluate the proposal and logging plan, and determine whether or not it is feasible. If so, they take steps to add the area to one of our cutting permits. The SML then enters into a sublicense with MCFC. Over the past 7 years MCFC has issued cash sale/salvage licenses to 71 different individuals or firms. Currently there are approximately 15 SML's utilizing this program.

The final form of work MCFC generates is in the wood-based manufacturing sector. MCFC's policy is to offer first right of refusal to local mills, however, they must be prepared to pay at or near the market price for the wood. Local manufacturers can negotiate fibre supply agreements with MCFC, buy wood directly from MCFC when we are contract logging or purchase wood out of the sort yard. They can also buy wood from any of the SML's working within the MCFC agreement area. Most local mills have received wood from MCFC at one time or another.

Summary

MCFC has been quite successful in creating and maintaining employment opportunities for locals. MCFC policies support the concepts of hiring locally and providing fair access to work. MCFC continues to balance the social expectations that come with being a municipally owned company with the freedom to manage that comes with being a for-profit company.

Current criticisms appear to be a result of a general lack of understanding with regards to our policies and practices. Companies or individuals that would like to be on MCFC's contractor list are encouraged to get their company prospectus and/or individual resume in to MCFC staff at their earliest convenience, or contact MCFC staff for more information.