

A TLA and WFCFA Perspective: What Makes the Perfect Tenure Holder?

As the Contractor Sustainability Review (CSR) continues to unfold, it is important to understand that individual contractors have a relatively small impact on the success of the provincial forest industry. However, collectively contractors comprise more than 90 per cent of all timber harvesting in the province and they do virtually all of the pre- and post-harvest work required to ensure industry operations remain sustainable.

Contractor successes or failures impact their employees, their families, the suppliers who support them, the communities where they live as well as their customers—the tenure holders. When you boil it down, if a contractor is not able to deliver on the work they are contracted to do, their customers will not be able to operate.

As a result, good relationships between tenure holders and contractors are essential to ensure the sustainability of BC's forest industry, and are at the heart of the CSR discussion and top of mind for all types of contractors' province-wide. Doug Donaldson, Minister of Forests, Lands, Natural Resource Operations and Rural Development stated, "the recommendations from the logging contractor sustainability review will help improve relationships between logging contractors and forest licensees. The report by George Abbott and Circle Square Solutions, and their 13 proposals, provide a good basis for the next round of facilitation."

While the intent of the review process is to improve the overall competitiveness of both logging contractors and licensees, a common theme that emerged

from the report included the need for better data and better communications. While implementation of the 13 recommendations proceeds, the TLA canvassed several contractors from different sectors of the industry to determine what the end goal might be and just what constitutes the perfect tenure holder—the one that all contractors want to work for?

Brinkman & Associates Reforestation Ltd. started planting trees over 48 years ago in British Columbia; those planted from their first contract are now older than most of their crew members. Since then, Brinkman has planted more than 1.4 billion trees, thus giving them a strong basis for understanding the licensee relationship issue.

Timo Scheiber, Western Forestry Contractors' Association (WFCFA)



member and operations manager at Brinkman was quick to point out that the best tenure holders treat their contractors as partners by working with them to improve results and reduce cost through a longer-term relationship. "We are able to provide the best value when our input and expertise isn't limited to a one-time project, when we can get to know the needs of the tenure holder and the particulars of their operations." He notes an example where one licensee has their road foreman work with the planting supervisor to plan the scheduling of blocks, "there have been several times where we've been able to reschedule the timing of a block to get it planted before a bridge is pulled, saving thousands of dollars on helicopter access," notes Scheiber. "It seems very simple, but with others, there is often little communication between the harvest and post-harvest phases, and those opportunities are missed."

Scheiber also says that in the competitive coastal market it has become common place to avoid viewing costs by not providing access to remote locations. "To the licensee, it may seem like a savings to avoid the cost of flying into blocks during the tender process, but

really, they are just passing all the risk and uncertainty on to contractors which often results in either unnecessarily high pricing, or an incomplete plan for the work." In Scheiber's opinion, the down-loading of risk to the contractor is a poor practise that may give small, short-term gains to the tenure holder which are generally traded for larger, long-term costs for both. "The perfect tenure holder allows the contractor to provide the right price to handle the complexity of the work required, safely. This requires good communication from the harvesting phases, and accurate information on actual site conditions."

Sig Kemmler of Alternative Forest Operations and TLA Board member has been logging for more than 30 years and has had long-term relationships with tenure holders that emulate the partnerships detailed by Scheiber. However, when a recent change in a contract manager brought in a young gun looking to make a name for himself, the same old "how low can I get the rate this year" mentality took over almost immediately.

"Without profits, I won't be staying around with this company," laments Kemmler. "It's not about looking at

a map and deciding what the rate should be. Contract managers must look longer-term as opposed to how low can we go this year if they want to be a preferred tenure holder."

Matt Wealick (Ts'ayweyi:lesteleq), a First Nations strategic advisor and TLA Board member has learned what it takes to try and become a perfect tenure holder having managed a number of smaller tenures in the Fraser Valley, including the Cascade Lower Canyon Community Forest (CLCCF). "My experience with smaller tenures is that costs are critical to profitability but working with partners to ensure success is even more important," notes Wealick. "We always hire locally so that the profit from our tenures comes back to the community. Our logging contractor employed eight local people and that was important to our CLCCF Board of Directors."

"Rates are negotiated with a joint understanding of block values and costs and we typically come to an agreement quickly," says Wealick. "But when unexpected issues arise, like a slide that occurred in a recent block, that is where the relationships are tested. We brought in a geotechnical consultant, agreed

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upon a plan to address the slide and we re-negotiated rates while on the hillside,” he adds. “Despite the changes, we both still did well.”

Matt doesn't see himself and the CLCCF as the perfect tenure holder yet, but with a small tenure, they have to try to have this perspective. Understanding community needs and working with local contractors that understand the community provides the recipe for success. “This is the lesson others should learn,” says Wealick.

“For me, the perfect tenure holder is one that has a willingness to share in both the good times and tough times,” says Howie McKamey, a veteran coastal logger and TLA member.

“What do I mean by this? The licensee must be prepared to say, this is a good block, or these markets are decent, so we can share in the opportunity and pay better rates. Then, when markets turn, or wood profile is poor, both the contractor and licensee have to put their heads together, adjust the plan and make it work.

We have very good relationships that work this way with the Tla'amin First Nation. We consult, we share ideas, we improvise, and we come up with plans

that work for both of us. A large block we were to log one summer became marginal due to slumping markets. But rather than just drop the rates or cancel the project, we walked the block, adjusted the layout and made it work for the both of us. The key was that both parties understood how important it was to have both of us succeed. It is the type of relationship that contributes to them being a perfect tenure holder.”

TLA members Barry Mills, vice president of operations and Paul Schuetz of Industrial Forestry Service Ltd. in Prince George direct the flow of their company's forestry consulting services to their clients in the north.

For Mills, the perfect tenure holder has many attributes. They should consider the contractor as a professional who is paid to look after their affairs in whatever capacity they are employed, essentially an extension of the company itself, and be willing to trust the contractor to complete a contract in the most efficient manner. In this regard, mutual respect and communication are paramount to Mills. The perfect tenure holder sees the value in a long-term relationship and offers annual contracts

that provide a steady flow of work and not just those who accept the lowest bid every year. “Tenure holders who value the consistency provided by a long-term contractor who becomes intimately familiar with the company's needs, standards, and operating cycle is the tenure holder we prefer to work for,” says Mills.

Schuetz, a TLA member and the TLA's Northern Interior logging contractor representative, coordinates large multi-phase forestry projects adds that, “tenure holders that don't work against us, but with us to achieve our mutual goals and provides feedback that is constructive and reasonable contributes to being considered the perfect tenure holder. If they recognize that we are the experts in what we do, and they allow us to utilize our expertise to get the job done, they are the clients we want to work with.”

It's evident that forestry, engineering, silviculture, logging and tree planting contractors all want to work with the perfect tenure holder and their perspectives on what qualifies them to be one is surprisingly similar. If you are not the perfect tenure holder, perhaps this editorial has provided some advice to become one.▲



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