

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 12/26/12

Via: Patrick Wussow, County Administrator

From: Land Department

Title of Item:
FSC re-certification/audit proposal

Requested Meeting Date: 1/8/13 Estimated Presentation Time: n/a

Presenter: Mark Jacobs

Type of Action Requested (check all that apply)

- For info only, no action requested
- Approve under Consent Agenda
- For discussion only with possible future action
- Adopt Ordinance Revision
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Approve/adopt proposal by resolution (attach draft resolution)
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Other (please list) _____
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute _____

Fiscal Impact (check all that apply)

- Is this item in the current approved budget? Yes No (attach explanation)
- What type of expenditure is this? Operating Capital Other (attach explanation)
- Revenue line account # that funds this item is: 11-924-5222
- Expenditure line account # for this item is: 11-924-6231

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected. Yes No
- Applicable job description(s) may require revision. Yes No
- Item may impact a bargaining unit agreement or county work policy. Yes No
- Item may change the department's authorized staffing level. Yes No



Supporting Attachment(s)

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) FSC stakeholder sample survey

Provide eleven (11) copies of supporting documentation NO LATER THAN Wednesday at 12:00 pm to make the Board's agenda for the following Tuesday. Items WILL NOT be placed on the Board agenda unless complete documentation is provided for mailing in the Board packets. (see reverse side for details)

Mark Jacobs
Aitkin County Land Commissioner

To: County Board of Commissioners
CC: County Administrator
Date: 12/27/2012
Re: FSC certification reassessment/audits

Aitkin County has been FSC certified for our forest management since 1997. In 2013 we are due for a 5-year re-assessment, so we sought the input of 12 stakeholders as to whether ACLD maintaining FSC certification is important to them. The results (attached) were presented to the Forestry Advisory Committee (FAC) on 10/16/12 and FAC directed us to seek proposals from various vendors that work in the US to pursue FSC certification for another 5 years. We have utilized the SmartWood program of the Rainforest Alliance as our vendor since 1997.

Proposals for services involving FSC re-certification and annual audits 2013-2017 were received and opened on 11/30/12. We received proposals from 4 vendors from across North America...

QMI-SAI – Toronto, ON - Canada
SGS – Rutherford, NJ - US
RA/SmartWood - Northfield, MN - US
SCS – Emeryville, CA – US

The total cost of proposals from RA/SmartWood and SCS were very close (within < 10%) while the two others were significantly higher (see attached table A).

The two competitive proposals were reviewed at the 12/18/12 Forestry Advisory Committee (FAC) meeting (see table B).

It was concluded that RA/SmartWood familiarity with...

- Aitkin County Land Department – 15 years
- Aitkin County SWCD group of 20 private landowners
- Upper Mississippi Certified Group of small forest products businesses managed by Aitkin County
- 8 other County Land Departments in MN

... would offset any small annual cost savings due to increased staff time involved providing background information to a new vendor. The fact that the RA/SmartWood US headquarters is located in MN was viewed as positive by FAC.

FAC unanimously recommended the Professional Services for FSC certification proposal from RA/SmartWood and based on my evaluation and informal discussion with other agencies and companies in our region, I would concur with their recommendation. If approved we would commit to the 2013 re-assessment proposal. If we “pass” we would then enter into an agreement for annual audits 2014-17 based on the RFP. Based on previous agreements we can bow out of the certification agreement with proper notice.

Thanks.

Table A.

Vendor	SCS	RA	SGS*	SAI Global*
Re-assessment	\$ 13,875	\$ 20,318	\$ 12,750	\$ 11,200
other fees	\$ 2,800	\$ 374	\$ 1,463	\$ 5,600
Re-assessment	\$ 16,675	\$ 20,692	\$ 14,213	\$ 16,800
Audit 1	\$ 5,125	\$ 5,985	\$ 12,113	\$ 7,210
other fees	\$ 1,485	\$ 374	\$ 1,463	\$ 5,047
Audit 2	\$ 5,125	\$ 6,165	\$ 12,113	\$ 7,426
other fees	\$ 1,485	\$ 374	\$ 1,463	\$ 5,198
Audit 3	\$ 5,125	\$ 6,345	\$ 12,113	\$ 7,649
other fees	\$ 1,485	\$ 374	\$ 1,463	\$ 5,355
Audit 4	\$ 5,125	\$ 6,540	\$ 12,113	\$ 7,879
other fees	\$ 1,485	\$ 374	\$ 1,463	\$ 5,515
Audits (4)	\$ 26,440	\$ 26,531	\$ 54,304	\$ 51,279
5-year cost	\$ 43,115	\$ 47,223	\$ 68,517	\$ 68,079
* cost estimate not including travel related expenses				

Table B.

Vendor	SCS (CA)	RA (MN)	X
Re-Assessment	\$ 16,675	\$ 20,318	SCS
Annual Audits (4)	\$ 25,240	\$ 25,035	SW/RA
Other fees	\$ 1,500	\$ 1,870	SCS
ACLD experience	0 - years	15-years	SW/RA
Aitkin County FM #	0	2 ₁	SW/RA
AC company CoC #	0	4 ₂	SW/RA
MN Counties FM #	0	9 ₃	SW/RA
MN FM #	1**	11*	SW/RA
1 ACLD and AC-SWCD private landowner group certificate (20 members)			
2 Aitkin Hardwoods, Hawkins Sawmill, Savanna Pallets, ThermoWood			
3 ACLD, Beltrami, Carlton, Cass, Crow Wing, Clearwater, Itasca, Koochiching, Lake			
* including 1 and 3			
** MN DNR lands			



Aitkin County Land Department

209 2nd St. NW Room 206
Aitkin, MN 56431

218-927-7364

August 28, 2012

Dear Stakeholder:

The Aitkin County Land Department (ACLD) was first certified under the standards of the Forest Stewardship Council (FSC) in 1997; one of the first public land certifications in the US.

A decade and a half later, many millions of acres of public and private forestland in the Lake States region have become FSC (or other 3rd party) certified.

We are up for our 3rd re-assessment in early 2013 and the estimated "re-up" fee is sizable (not including our staff-time or potential future annual audit costs); so we are at a crossroads of sorts.

Is the cost of continuing FSC certification for another 5-years justified by the benefits?

While it would be nice to get the often sought "premium price" for our certified forest products, the most important benefit to ACLD is the support to continue from our citizens and stakeholders. If we have compelling evidence that our continued certification will be a benefit to the local and regional forest products industry and continuation is supported by our citizens and local and regional stakeholders; then we will very likely pursue another 5-year FSC certificate. If documented support or interest is lacking we may not continue with certification; but we will continue to manage our forests at the high standard that has been illustrated by our 15-years of FSC certification.

To help guide us in this decision making process we are seeking your input. To facilitate your response we have enclosed a postage paid postcard. Simply fill out the card and return it to us before September 24th 2012. No response from you will indicate that recertification is not of high importance to you. The results will be presented to our Forestry Advisory Committee in October.

If you feel strongly about this issue please feel free to respond via letter or e-mail and we will include that in the documentation as well.

Sincerely,

Mark Jacobs
Land Commissioner

An Equal Opportunity Employer

Fax - 218-927-7249

e-mail: acld@co.aitkin.mn.us

2012 - ACLD/FSC Stakeholder Sample Survey

We feel that continued FSC certification by Aitkin County Land Department is...

Stakeholder	Important	Not Important	No Reply
ATV Association of MN	x		
Audubon MN	x		
Hawkins Sawmill	x		
MN Deer Hunters Association		x	
MN United Snowmobile Association			x
North Shore Forest Products	x		
Sappi Fine Paper	x		
Savanna Pallets	x		
The Conservation Fund			x
Superior Thermowood	x		
Trust for Public Land			x
UPM - Blandin Paper	x		
Total - 12	8	1	3

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

SEE E-MAIL I
SENT 9-4-12
ATK

Name: Al Rauschel
 Organization: SAVANNA
 Address: PO Box 308
McGregor, MN

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

Mark, please do continue with forest certification. It is vitally important to our business that we have access to as much certified fiber as possible to meet our customers' demands for same. (See my email too)

Name: JIM MARSHALL
 Organization: UFM - BLANDIN
 Address: 115 SW First St.
Grand Rapids MI 49504

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

We collect the credits for paper sale @ the Park Falls Mill - Flambeau River Paper

Name: Brian Gulseth
 Organization: North Shore Forest Prod.
 Address: PO BOX 16286
DULUTH, MN 55816

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important Very
- Not important

Comments:

Mark - Aitkin County leadership on FSC certification is the only thing between your wood products organization & oblivion. You have put Aitkin & MN on the map for quality forestry

Name: Don Arnosti
 Organization: Audubon Minnesota
 Address: 2357 Ventura Dr. #106
St. Paul, MN 55125

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

ALLOWS US, HAWKINS SAWMILL INC., TO HAVE OTHER AVENUES TO SELL WOOD. SO STAYING CERTIFIED WOULD BE EXTREMELY IMPORTANT!

Name: TOM HAWKINS
 Organization: HAWKINS SAWMILL, INC
 Address: 15132 280th AVE. ISLE, MN 56342

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

Name: George Rucke, President
 Organization: All Terrain Vehicle Ass. MN.
 Address: 8450-237 Ave. NE Stacy, MN. 56079

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

ALL OF OUR MAPLE NEEDS THE CERTIFICATION.

Name: Joyce A Mikesit
 Organization: SUPERIOR TREEMOOD
 Address: 22163 CO RD 3 MERRIFIELD, MN 56465

We feel continued FSC certification by the Aitkin County Land Department is... (check one)

- Important
- Not important

Comments:

Certification was a necessary bureaucratic evil that customers like Time Warner demanded. However, with the extremely soft market, I question its benefits and costs. Considering that ACLD demands BMPs be followed on harvests in ACLD Lands, I also question the current necessity of FSC. In the end, it is an economic choice for ACLD. I will support your decision either way.

Name: Mark Wm. Johnson, Exec. Dir.
 Organization: Minnesota Deer Hunters Assoc.
 Address: 460 Peterson Rd Grand Rapids, MN 55744
218-327-1103, Ext 13
mark@mndeerhunters.com

Aitkin County Land Department

From: Al Raushel [alraushel@savannapallets.com]
Sent: Tuesday, September 04, 2012 3:11 PM
To: acld@co.aitkin.mn.us
Cc: Ross Wagner; chadraushel@savannapallets.com
Subject: FSC Certification

Members of the Aitkin County Forestry Advisory Committee,

In 2003, with the help and encouragement of Aitkin County, Savanna Pallets became a participant in the FSC program. We also hoped for a "premium price" for our pallets with a FSC label. After 7 years of dues paying and extra record keeping, we let our Certification lapse because of technical issues with the new "controlled wood" documentation and total lack of interest from our pallet customers.

Today however, with the help of Ross Wagner, we are vigorously pursuing re-entry into the Certification Program as a means to enter into markets beyond our traditional pallet business. At this time we are working with Nelson Wood Shims of Cohasset, MN to provide them with Certified Wood from our sawmills so that they may offer Certified wood shims to big box retailers such as Home Depot and Lowes. Without access to local Certified Wood, this business for both Savanna and Nelson would be in jeopardy. Although it has taken us over a decade to realize any benefits attributable to the FSC program, I now envision the program as a key component for growth as we expand into new more profitable markets. It is my belief that our situation is exactly the type of forest stewardship and economic development partnerships that the County hoped for when embarking on this program 15 years ago.

Please let me know if there is anything else I can do to help Aitkin County do to continue this valuable program.

Regards,

Al Raushel
Savanna Pallets

Aitkin County Land Department

From: jim.marshall@upm.com
Sent: Wednesday, September 05, 2012 11:47 AM
To: acld@co.aitkin.mn.us
Cc: bob.behr@upm.com; george.shields@upm.com
Subject: Aitkin County Land Department survey on certification

Hello Mark,

Thanks for attending the Grand Rapids Area Chamber of Commerce Forestry Affairs meeting last week. It was good to have your perspective on forest certification and other topics we discussed that day.

I have just received your letter and postcard inquiring as to whether Aitkin County Land Department's continued certification is important.

Our resounding reply is YES.

I have written that on the postcard, and want to emphasize our reply via this email, as you invited us to do.

We, too, have our forest land management systems certified under an internationally recognized standard. UPM does not officially prefer one standard over another. We do, however, have the goal of providing our customers with products that are made from certified fiber, and we undergo frequent internal and external audits of our own EMS, forest management under SFI standard, and the PEFC and FSC Chain of Custody systems. We recognize there is an increased cost to Aitkin County for doing this work, but also want to remind you and the Advisory Committee and the County Board that our Minnesota land management agencies and forest products industries need to remain competitive in the great lakes region and the nation. Other states and regions have similar records of high percentage of fiber being certified, and we don't want to lose business due to an avoidable cause, e.g. lack of wood fiber certification.

Therefore, we strongly encourage you to continue with your certification programs.

Thanks for asking,

Sincerely,

Jim Marshall

James Marshall | Forest Resources Manager, UPM Blandin | Tel. +1 218 327 6644 | Jim.Marshall@upm.com
UPM | 115 SW First Street | Grand Rapids, Minnesota 55744 USA | www.upm.com

sappi

Fine Paper
North America

Sappi Cloquet LLC
Wood Fiber & Fuel Procurement

20 N 22nd Street, PO Box 511
Cloquet MN 55720
Tel +1 218 879 2395
Fax +1218 879 2375

September 14, 2012

Mr. Mark Jacobs
Land Commissioner
Aitkin County Land Department
209 2nd Street N.W. Room 206
Aitkin, MN 56431

Dear Mr. Jacobs:

In response to your question "Is the cost of continuing FSC certification for another 5 years justified by the benefits?" Sappi strongly believes that it is. As we discussed when I came over and gave the presentation on our new project, we have found that our current pulp and paper customers understand that products made from wood from certified forests assures them that our products are manufactured in a responsible manner. As we learn more about the chemical cellulose market, it appears that wood sourced from certified forests is of strong interest to chemical cellulose customers as well.

We view Aitkin County lands as an important source of fiber for our mill. With its proximity to our mill, well managed forests and FSC certification of its lands, we think that we are a good market for products that come off your lands. The investment in new technology and markets that Sappi is in the process of making, should assure Aitkin County of a strong tool to help manage your forests for many years in to the future.

The recertification of Aitkin County lands by FSC is of high importance to Sappi. Please pursue another 5 year FSC certificate.

If you need any further information or would like to discuss the situation more, please feel free to get in touch with me.

Sincerely,



Gary Erickson
Regional Manager Wood Fiber and Fuel Procurement