

# CFBC NEWSLETTER

Consulting Foresters of BC

April 2005

## NEW MEMBERS

It is our pleasure to welcome the following new members:

### **Price Huber & Associates Inc.**

(Stan Price, RPF)  
P.O. Box 467  
7555 West Glacier Crescent  
Port Hardy, B.C. V0N 2P0  
[pricehub@telus.net](mailto:pricehub@telus.net)

### **Fowler Ventures Ltd.**

(Ralph A. Fowler, RPF)  
P.O. Box 4812  
Williams Lake, B.C. V2G 2V8  
[rafowler@shaw.ca](mailto:rafowler@shaw.ca)

### **Second Growth Consulting Ltd.**

(Ted Sales, RPF)  
602 Grandview Terrace  
Kamloops, B.C. V2C 1H8  
[2ndgrwth@telus.net](mailto:2ndgrwth@telus.net)

## **Important contact information for CFBC members:**

### **Morris & Mackenzie Inc. – Kimberley Fairbairn**

Tel. (604) 669-5848  
*Professional Liability & Errors & Omissions*

### **Meritage Financial Group - Steve Edmison**

Tel. (250) 475-6050  
*Extended Health Benefits & Life Insurance*

## IN THIS NEWSLETTER

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## PRESIDENT'S REPORT - 2005

*Submitted by President Alan D. Fry, RPF*

As I begin my second term as President, I look back and am pleased that we have completed a successful year with the major initiative of producing a new business-oriented Strategic Plan. Equally notable is that we have also implemented or begun to implement a majority of the strategies and have deadlines for the remainder. These exercises have come with a considerably higher expense than activities in previous years; however, we have a good contingency fund, and I feel the expense has paid off and will continue to provide benefits to members.

We met with senior government officials in Victoria in November and we are planning another similar set of meetings in Kamloops in May and will be inviting all members to participate, especially local members from the Thompson-Okanagan area.

The Board is convening this meeting in Kamloops next month and expanding it to include senior



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Website: [www.cfbc.bc.ca](http://www.cfbc.bc.ca)**

government, industry, and consulting folk. As with the meetings in Victoria, these sessions will focus on the business of forestry consulting.

And that brings me to my next priority - volunteer, volunteer, volunteer!!! We simply cannot implement even the more important priorities of our Strategic Plan without YOUR help, whether it be participation on a local government resource management committee or helping out with providing your office space for out-of-town Directors' meetings, we desperately require your involvement. I urge you to contact any member of the Board or Tracey Gillespie to offer whatever assistance you can. In that regard, we will shortly be distributing a list of candidate volunteer areas that we feel would fill the more crucial areas over the coming year.

Our new display booth was a real hit at the ABCFP AGM this year in Prince George and provided an opportunity for members to advertise their services via a business card drop while providing attendees a glimpse of what CFBC is all about. This booth will be used in the coming months at the VRM Conference, the COFI conference, several fire conferences, and other venues to be determined. This is but one example of our enlarged marketing strategy.

I mentioned that we faced increased costs with the implementation of the Strategic Plan. We will be looking at some cost reductions this year which may include a review of some of the CFBC activities normally convened in conjunction with the ABCFP AGM. For example, does the CFBC Breakfast provide good benefits for the cost? Should our AGM be necessarily held with the ABCFP AGM? Is the Wine and Cheese Reception a worthwhile endeavour? We will be discussing these in future Directors' meetings and will be calling on you for your opinions.

I know I speak for the entire Board when I say that we are looking forward to the upcoming year with great optimism. The forest industry is in great flux but some stability has resulted. First Nations are realizing a significant involvement and partnership in the forest industry, through the negotiation of many

Forest and Range Practices Agreements throughout the province. This successful initiative and many more have benefited our members and will continue to do so. I look forward with gusto to my second term as your President! ❖

*Please plan to attend!*

## **CFBC MEETINGS IN KAMLOOPS MAY 10-11, 2005**

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Last week a bulletin was circulated with details about the upcoming CFBC business meetings to be held on Tuesday, May 10<sup>th</sup> and Wednesday, May 11<sup>th</sup> at the Comfort Inn in Kamloops.

These meetings have arisen directly out of the CFBC Strategic Plan and initiatives:

1. To provide information to members regarding non-traditional client base (3.8.1);
2. To raise awareness of the services provided by CFBC members among non-traditional client groups (3.8.2);
3. To arrange meetings with associations and government agencies to strengthen communications (4.2.1); and
4. To begin to develop a program for less experienced consultants outlining the generalities of running a consulting business (3.7.1).

Please refer to the bulletin for a complete list of forest industry, government, and consulting personnel who will be attending and offering their expertise to CFBC members. Any topics you wish to discuss should be forwarded in advance to CFBC Secretary Rob Schuetz ([rschuetz@indforserv.bc.ca](mailto:rschuetz@indforserv.bc.ca)).

The recent bulletin also contains contact information for accommodation at the Comfort Inn in Kamloops; to guarantee the special rate, please book by April 23<sup>rd</sup>, 2005.

A complete agenda of events will be circulated within a couple of days, so please RSVP to CFBC Vice-president Garnet Mierau ([garnet@linbir.com](mailto:garnet@linbir.com)) to confirm your attendance. ❖



## THE ROLE OF THE CONSULTANT IN A CHANGING ENVIRONMENT: A STRATEGIC PERSPECTIVE

*Submitted by Elizabeth Croft, PhD*

Three major and ongoing changes that consultants face in today's forest products industry are industry consolidation, downsizing, and outsourcing and globalization. All three of these trends are forcing consultants to reconsider their own roles in the industry and to reassess their planning processes for the future.

Strategic thinking on the change process in organizations can provide some insights into how to analyse and respond to these changes. The **forces behind organizational change** generally fall into three main categories:

1. *Cost drivers:* organizations changing the scale and /or scope of their operations in the hope of creating goods or services more cheaply. A simple forest products example is the increase in the size of mills to take advantage of economies of scale and learning effects.
2. *Benefit drivers:* organizations changing to improve the quality or availability of the goods and services they provide, or to improve their overall reputation. In the forest products context, the potential for improvement in a firm's triple bottom line performance could be a driving force behind change.
3. *External and internal shocks:* organizations responding to factors beyond their normal business operations. Forest products examples could include trade regulation (external) shocks or ownership (internal) shocks.

The **likely responses to change** also need to be analysed within a framework. Individual responses often include self-doubt and anxiety (as one anonymous source put it, "I used to have a handle on the world . . . but it broke!"). **Intra-organizational**

responses can include resistance and political manoeuvring. **Inter-organizational** responses (particularly in the case of consolidation) may be clashes between cultures and inefficiencies due to incompatible systems.

Strategic experts have identified that **the best practices to facilitate change** are:

- developing the capacity to adapt organizational structures and principles,
- creating resource flexibility,
- ensuring constant organizational learning, and
- building bridge from the present to the future.

For any given major change, consultants cannot afford to be passive observers. They should analyse the forces driving the change and, based on their industry experience, anticipate the likely responses at all levels of the client's organization and its network of operations.

**Client focus:** In order to increase the value of the work they do for clients undergoing change, consultants can try to facilitate and monitor the creation of efficiencies and synergies, identify opportunities to minimize resistance and maximize communication, and become proactive about the creation of new internal and external alliances.

**Self focus:** To adapt to their new roles in the industry, consultants should consider increasing the level and/or scope of their expertise, re-evaluating their changing position in the operations, and broadening their own international experience to be better aligned with their clients.

As change occurs and organizational structures adapt, consultants can anticipate increased reliance on technology, more complex and varied inter-organizational relationships, and increased domestic and international competition for consulting positions. ❖

*Dr. Elizabeth Croft presented this speech at the annual CFBC Breakfast on Thursday, February 24, 2005 in Prince George. Dr. Croft is an Assistant Professor at the School of Business of the University of Northern British Columbia.*



MINUTES OF THE B.C.T.S.  
CONTRACT ADVISORY  
COMMITTEE Feb. 3 & 17, 2005

*Submitted by Al Todd, RPF*

**Action Points**

**1. Terms of Reference**

Further discussion regarding the wording in the first bullet under "Key Outcomes". Reverse wording with respect to the phrase regarding lower cost.

- **Action: Brian will finalize the TOR and present for approval at the April 14, 2005 office.**

**2. Contract Link for the Public**

The link for core policy is <http://www.gov.bc.ca/byprd/bc/home.do>. The MOF Contract Management Manual is only accessible to MOF staff. It is an internal document that describes in detail the processes to be followed in all phases of contract management.

- **Action: NONE**

**3. Holdback Release**

Current Policy dictates that 10% holdbacks will not be released until the entire contract is completed. This means (work done in the spring with a break in activity followed up with fall work to finalize the contract) the release date for the entire holdback will be 40 days following the final completion date of the contract. Regardless of the above, in certain situations the BCTS office may consider the release of a portion of the performance security assuming BCTS believes there is little risk in the contractor not returning to complete the final portion of the contract. Other discussion included timelines for holdback release with various forms of liens or holdbacks. Emphasis expressed that the health of business is cash flow and the timely release of holdbacks can make the difference of the contracting firm making a profit or not.

- **Action: Bill Dobbs will do further work in definitions and timelines for the various holdback practises and will present at the next BCAC meeting on April 14, 2005**

**4. Select Invitation Lists (SIL)**

Expressions of Interest are advertised in BC BID and are the process to solicit interested parties who wish to be considered for the type of work(s) specified in the EOI. Following the submission of all interested applicants, the evaluation of all contractors information is completed which in turn will determine the pre-qualified (or eligible contractors) who will be included in the select Invitation List. This select list of contractors will be invited to submit offers on future ITQ's, ITT's or RPF's. These select invitation lists are re-established annually by open invitation (EOI's) on BC Bid

- **Action: Brian to get information relating to the new level 1 to level 4 contract training program. This will be presented at the next BCAC meeting April 14, 2004**

**5. Bid Bonds vs Letter of Credit**

Bid bonds are exclusively used on BCTS Major Work Contracts (Road Construction). Bid bonds and the subsequent performance bonds are required on all BCTS Major Works contracts with values greater than \$250,000.00

- **Action: Brian will provide definition for the various forms of securities that are available to a contractor who is offered a BCTS Contract.**

**6. Future Tracking of Contractor's Performance in GENUS**

Brian gave an overview of future plans of using the GENUS information system (used exclusively by BCTS) as a tool to track contractors past contract performance.

- **Action: Ongoing.**

**7. BC Bid**

Al discussed the results that he received from the CFBC membership. Of the 18 responses, the majority of the contractors felt that BC Bid was working adequately.

- **Action: Brian will submit the results from the CFBC to BC Bid for their review and consideration of suggested improvements to the system.**



**8. Request For Proposals** (Starting Point for Feb. 17, 2005 Conference Call)

Complaint Contract Website can be found on BC Bid website under "Vendor Complaints"

ii) The Freedom of Information and Protection of Privacy Act (FOI) is the best avenue to follow for information of a contractor's past performance in a RFP. The appropriate website address is:

<http://gww.for.gov.bc.ca/hbs/pirls/foi/>

- **Action: NONE**

**9. Tenders and Unit Estimates**

Brian did not discuss this issue during the BCTS Contract Management Workshop or with the TSLT.

- **Action : This issue will be reviewed by the internal BCTS CEWG, BCAC will be advised of progress at the next meeting scheduled for April 14, 2005**

**10. Tender Issues**

The preference for all tenders to be opened in the afternoon between Tuesday and Thursday inclusively was discussed in the recent BCTS Contract Management Workshop.

ii) Faxes can be used to adjust tender amounts prior to the tender opening time. As well, faxes can be used to withdraw tenders prior to the tender closing date and time.

- **Action: BCAC membership to monitor the above noted issues and will bring new tender issues to the BCAC that may arise in the future.**

**11. Oligopolies**

- **Action: NONE.**

**12. BCTS Contract Sizes**

Brian described the sizes of contracts being let out by 2 C=BCTS Business Area (Peace-Liard and Seaward BA's).

- **Action: Brian will provide further contract size ranges for the remaining 10 BA's. To be presented at the April 14, 2005 BCAC meeting.**

**13. Forestry Safety Council**

Larry Pedersen, Assistant Deputy Minister of BC Timber Sales will represent the program at the Forestry Safety Council table.

- **Action: NONE**

**14. Employment Standards Act**

Brian has developed a draft Briefing Note that has been distributed to all BCAC members. A copy has also been sent to an Employment Standards official for review and comment. Some rework in the document will be necessary.

- **Action: Brian will provide the final draft of the Employment Standards Act Briefing Note to the next BCAC meeting on April 14, 2005.**

**15. Payment of Invoices**

BC Timber Sales acknowledges that there have been problems in having all invoices paid in a timely manner. Corporate BCTS has developed a contract Tracking Data Base Information System that will keep track of invoices, release of securities, holdback release dates etc.... This will greatly assist each TSO in ensuring payment and the release of securities will be completed in a more prompt manner.

- **Action: Rob to provide a short presentation on the Contract Tracking Data Base System during the April 14, 2005 BCAC Meeting.**

**16. Engineering Contracts and Fragmentation**

The Access Workgroup Subcommittee is developing an operating procedure.

- **Action: Bill to provide an update on progress being made by this subcommittee on April 14, 2005**

**Next Meeting:** April 14, 2005, 9:00 a.m. PST, at the Richmond Inn. Meeting room name will be presented prior to the April 14, 2005 meeting. ❖

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**CFBC FINANCIAL  
STATEMENTS**

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Please see the following page.



Consulting Foresters of British Columbia  
 Balance Sheet As At 28/02/2005

ASSETS

Current Assets

Royal Bank Chequing Account	11,576.19	
Contingency/Discipline Fund (TD)	10,000.00	
Total Cash		21,576.19
Accounts Receivable	8,011.22	
Total Receivable		8,011.22
Total Current Assets		29,587.41

Capital Assets

Net - Furniture & Equipment		0.00
Total Capital Assets		0.00
Other Non-Current Assets		
Total Other Non-Current Assets		0.00

TOTAL ASSETS		29,587.41
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LIABILITIES

Current Liabilities

Total Receiver General		0.00
GST Charged on Sales	42.44	
GST Paid on Purchases	(78.02)	
GST Owing (Refund)		(35.58)
Total Current liabilities		(35.58)

TOTAL LIABILITIES		(35.58)
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EQUITY

Retained Earnings		
Retained Earnings - Previous Year		31,988.16
Current Earnings		(2,365.17)
Total Retained Earnings		29,622.99

TOTAL EQUITY		29,622.99
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LIABILITIES AND EQUITY		29,587.41
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