

## SCHEDULE “A”

### MOUNTAIN PINE BEETLE PROGRAM

#### PROGRAM DESCRIPTION

##### 1.01 Definitions:

- (a) “Applicant” means an applicant to FRIAA who applies for MPB Funds by submitting a Proposal;
- (b) “Approval” means the written approval of FRIAA, including the terms set by FRIAA used to implement an approved Proposal;
- (c) “Association” or "FRIAA" means the Forest Resources Improvement Association of Alberta;
- (d) “Approved Contractor” means an Applicant whose Proposal has received Approval;
- (e) “Department” means Her Majesty the Queen in Right of Alberta as Represented by the Minister of Agriculture and Forestry;
- (f) “Eligible Activity” means an activity related to the treatment of forested areas to control, suppress or eradicate the MPB that is not the existing tenure, regulatory or legislative responsibility of any timber disposition holder and includes, but is not limited to, activities such as aggregation pheromone use, detection surveys, single tree control (“Level 1 Control”), protection of seed orchards and research plots and seed collection as outlined in Appendix “A”.

Any activity related to:

- (i) facility construction, improvement or operations,
- (ii) product research and development,
- (iii) road construction, repair and maintenance,
- (iv) the purchase of any capital assets, or
- (v) a project carried out prior to project approval unless, in FRIAA’s sole opinion, it is justified for operational circumstances

is not an Eligible Activity;

- (g) “Member” means a member of FRIAA;
- (h) “MPB” means the Mountain Pine Beetle (*Dendroctonus ponderosae* Hopkins);
- (i) “MPB Funds” means the funds that FRIAA has available for Projects arising out of the Mountain Pine Beetle Grant Agreement (the “Agreement”) as between FRIAA and the Department);
- (j) “Program” means the Mountain Pine Beetle Program;
- (k) “Project” means a Proposal that has received Approval under the Program;
- (l) “Project Administrator” means an Applicant who has obtained Project approval from FRIAA, and shall include a sponsor, where applicable;
- (m) “Proposal” means a plan, involving one or more Eligible Activities, which is specific in nature, outlining the Eligible Activities being considered for approval under the Program.

## **PROGRAM PURPOSE**

**2.01** The purpose of the Program is to maintain and enhance the forest resource of Alberta by assisting the Department in the control, suppression and eradication of the MPB. The Program does not absolve Members, any Approved Contractor or government of their respective responsibilities for sustained yield forest management; rather, it encourages activities that are above and beyond required forest management functions.

**2.02** Activities related to the control and suppression of the MPB are eligible under the Program if they enhance the forest resource and are not the responsibility of a timber disposition holder.

## **MPB FUNDS**

**3.01** MPB Funds collected by FRIAA are under the direct control of FRIAA and are to be used to support the Program.

**3.02** FRIAA shall maintain all books of account and records relating to the MPB Funds and shall distribute the MPB Funds in accordance with the Agreement, this Program Description and applicable Acts and regulations.

## **APPROVAL OF PROPOSALS**

**4.01** An Applicant may submit a Proposal for a Project to FRIAA in accordance with this Program Description and the policies and objectives of FRIAA.

**4.02** FRIAA shall evaluate the Proposal using the following criteria:

- (a) [intentionally left blank]
- (b) the expenses set out in the Proposal must be reasonable in all the circumstances and must be consistent with the amounts as specified in Appendix "A";
- (c) the Proposal must not be contrary to the objects of FRIAA, the bylaws, or the provisions of relevant regulations or legislation;
- (d) A Proposal must demonstrate that the Applicant is able to complete the proposed Project economically and efficiently, and in so determining, FRIAA may take into consideration the Applicant's proximity to the location of the proposed Project, the Applicant's experience in performing such projects, the availability of resources to the Applicant, and whether the Applicant has in the past complied with applicable Acts and regulations;
- (e) A Proposal must be made in writing and submitted by a Member;
- (f) All Eligible Activities must be consistent with the priority rankings described in Appendix "B";
- (g) All Eligible Activities must be conducted in a coordinated fashion with the Department, with any data or information obtained or acquired being immediately provided to the Department;
- (h) All matters of the administration of and accountability for a Project shall be the sole responsibility of the Applicant; and
- (i) Notwithstanding 4.02(h), above, where the Applicant consists of more than one Member, each of them shall be jointly and severally responsible and accountable for

ensuring the Project is completed in accordance with the terms of the Project Proposal and the Approval.

**4.03** Where a Proposal includes Eligible Activities that are, in the opinion of FRIAA, the responsibility of a timber disposition holder, only that portion of the Proposal that is not the responsibility of a Member or timber disposition holder is eligible for funding under the Program.

**4.04** FRIAA shall not approve any applications or Proposal that, in its reasonable opinion and having regard to all the circumstances, has the effect of providing subsidies to the forest products industry, and will therefore require all applications and Proposals comply with FRIAA objectives, policies, the Program purpose, and the criteria set out in Article 4.02 herein.

**4.05** FRIAA's Approval of a Proposal shall be limited by the availability of MPB Funds for the Proposal, notwithstanding any other term of this Program, and for Proposals generally.

**4.06** Where FRIAA approves a Proposal, an Approval shall be prepared and forwarded by FRIAA to the Approved Contractor for execution outlining the terms and conditions of FRIAA to implement the Proposal, one of which being that the Approved Contractor covenants and agrees to carry out the Project to completion.

**4.07** The terms and conditions of the Approval, as well as the Proposal shall be included in the Approval.

**4.08** The Approval shall address:

- (a) the total maximum amount payable under the Approval, having regard to the schedule of Eligible Activities proposed and agreed to;
- (b) a schedule of reasonable and justifiable payments under the Approval;
- (c) the terms and conditions of the Proposal;
- (d) any other terms and conditions required by FRIAA;
- (e) any other conditions that are necessary to carry out the Project, including audit procedures and reporting requirements.

**4.09** Where FRIAA does not issue an Approval in respect of a Proposal, FRIAA shall state which of the criteria set out in Article 4.02 or Article 4.05 were considered in its response to the Applicant.

### **USE OF MPB FUNDS**

**5.01** Any amounts payable under an Approval shall be used exclusively by an Approved Contractor for Projects approved by FRIAA in accordance with the Approval.

**5.02** MPB Funds shall not be made available, and shall not be used, for the purchase of any capital asset.

**5.03** Use of MPB Funds for any purpose other than that described in Articles 5.01 or 5.02, above, by the Approved Contractor, creates a right in FRIAA to immediately terminate the Approval with the Approved Contractor, and a right to the immediate return of any MPB Funds paid or payable in respect of the Approval and the Project.

**5.04** All MPB Funds will be advanced or paid by FRIAA as reimbursement for expenses already

incurred and paid for by the Applicant. Where a payment is otherwise made by FRIAA prior to the expense being incurred or prior to the completion of a Project in accordance with its approved terms and conditions, the payment shall be an advance and shall be held in trust by the Applicant until completion of the Project, or returned to FRIAA upon request.

**5.05** Any MPB Funds advanced prior to the completion of the Project are deemed to be held in trust by the Applicant until FRIAA has acknowledged in writing to the Applicant that the Project is completed in accordance with the terms of the Approval.

**5.06** All MPB Funds advanced prior to the completion of a Project in accordance with the Project shall be returned to FRIAA in the event of:

- (a) termination of the Project by FRIAA, or
- (b) the requirement of Article 5.04 is not satisfied, or
- (c) otherwise as may be provided by the Program or the terms of the Proposal or the terms and conditions of the Approval.

## **REPORTING AND AUDIT REQUIREMENTS**

**6.01** An Approved Contractor shall provide any information whatsoever that FRIAA requests respecting any Proposal, Project or request for MPB Funds, and this provision shall be a requirement of the Approval. This information may be required to be provided in a form prescribed by FRIAA from time to time;

**6.02** Without limiting the generality of the foregoing, FRIAA may request and shall receive from any Approved Contractor:

- (a) a report from an independent, qualified accountant, in accordance with the *Canadian Institute of Chartered Accountants' Handbook*;
- (b) performance of an audit, or prompt, complete responses to audit inquiries or requests;
- (c) financial reports co-ordinated to FRIAA's fiscal year end for each Project detailing how much has been spent for the specific Project and how much remains by approved cost categories;
- (d) the submission of technical reports, co-ordinated to the Approved Contractor's fiscal year end for each Project summarizing the Eligible Activities completed and what remains to be done;
- (e) an end of Project technical report summarizing the results of the Project.

**6.03** FRIAA has a right to conduct random audits on Projects and has a right to conduct random sample audits and post-Project audits from time to time as may be considered appropriate or expedient at the sole discretion of FRIAA.

## **REVIEW OF APPROVALS**

**7.01** Except where approval is not given to a Proposal pursuant to Article 4.05, in the event there is disagreement between the Applicant or Approved Contractor, as the case may be, and FRIAA regarding the application of the Program or any matter arising as a result of the Approval, either party may request a review and resolution of the matter in writing to the Department, which review

shall be conducted in a prompt and fair manner in accordance with the procedures and policies established by the Department.

### **ADMINISTRATION OF APPROVALS AND PROJECTS**

**8.01** In the event an Approved Contractor is in breach of or otherwise fails to perform, for any reason whatsoever, any provision or term or condition of an Approval, or is in contravention of any policy or rule of FRIAA, FRIAA may, in its sole discretion, do one or more of the following in addition to any other rights it may have at law or otherwise:

- (a) terminate any and all agreements with the Approved Contractor;
- (b) suspend or cancel membership in FRIAA;
- (c) demand and be entitled to receive from the Approved Contractor any and all paid, disbursed and undisbursed MPB Funds advanced by FRIAA on account of any Project or pursuant to any Approval;
- (d) withdraw Approval of a Project at any stage of the Project;
- (e) commence any action or take any steps that FRIAA may consider just or appropriate in the circumstances.

**8.02** In the event of the death of an individual Approved Contractor (the "Deceased") prior to the completion of the Project, the estate or personal representative of the Deceased may, upon meeting the reasonable requirements of FRIAA, complete the Project in accordance with the Approval entered into regarding that Project.

**8.03** In the event of the appointment of a receiver over the assets and affairs of an Approved Contractor, FRIAA may allow, in its sole discretion, the receiver to carry out the terms of the Approval, provided always the receiver be obligated to the same extent and in the same manner as the Approved Contractor. Further, FRIAA may, in its sole discretion, allow MPB Funds to be utilized by the receiver of an Approved Contractor in a manner that is in accordance with the Program and the Approval, as well as any applicable agreement, all as if the receiver is the original Approved Contractor.

**APPENDIX “A”**  
**Amended August 20, 2015**

**SCOPE OF ELIGIBLE ACTIVITIES AND COSTS/FUNDING GUIDE**

Activity / sub-activity	Sub activity detail	Metrics Unit	Cost Unit	Cost Guide
<b>1. AGGREGATION PHEROMONE USE</b>				
<b>Long Distance Dispersal Monitoring</b>				
Proposal for FRIAA	1 proposal / project	plan	man day*	\$500.00/ plan
2-component tree bait	1 site of 3 baited trees / township	bait	bait	\$ 4.47/bait
Bait set up	approx. 7 sites/day	site	man day*	\$120.00/site
Bait removal	approx. 7 sites/day	site	man day*	\$100.00/site
Ground survey (modified concentric )	up to 75 m around bait station with attacked trees	ha	man day* (or sites)	\$400.00/site
Single tree control	mass attack trees (>40 hits/tree)	#trees	man day* (or tree)	\$130/tree
Final Outcomes Report to FRIAA	1 report to FRIAA, data to ESRD	project	man day*	\$500.00/report
<b>Containment Baiting</b>				
Proposal for FRIAA	1/project	plan	man day*	\$500.00/plan
2-component tree bait	1 bait/season, stapled to tree 2 meters above ground	bait	bait	\$4.47/bait
Bait set up	1 bait 50 x 50 M grid ( about 4 baits /hectare )	hectare	man day*	\$40/ha
Bait removal	all of approx. 4 baits/ hectare	hectare	man day*	\$25/ha
Final Outcomes Report to FRIAA	1/project	plan	man day*	\$500.00
<b>Log Yard Management</b>				
Proposal to FRIAA	1/project	plan	man day*	\$500.00
Lindgren 12-16 funnel trap	3 traps / stand	trap	trap	\$65.90
Trap 3-component lure	1 lure / season	lure	lure	\$6.75
Trap terpinoline lure	1 terpinoline lure change/season	lure	lure	\$3.85
Trap stand	3 traps 1M apart 6' above the ground	stand	stand	\$ 70.00
Set up, monitor remove <b>mill yard</b> traps	stands 50M apart, 75M from log deck, check up to 16 times/season	trap	man day*	\$41.00/trap (entire season)
Set up, monitor remove <b>satellite yard</b> traps	stands 50M apart, 75M from log deck, check up to 16 times/season	trap	man day*	\$69.00/trap (entire season)
Ground survey of identified adjacent stands	walk through assessment up to 100M from traps (once per season)	ha	man day*	lacks**
Single tree control	cut, buck, burn attacked trees (>40 hits/tree)	#trees	tree or (man day*)	\$130/tree
Final Outcome Report to FRIAA	1/project	plan	man day*	\$500.00
<b>2. DETECTION SURVEYS</b>				
<b>Aerial Surveys</b>				
Planning and data management	1/project	plan	man day*	\$800.00
Aerial Photography for area	submit for review in project proposal	photo	photo	market rate
Aircraft rental	submit for review in project proposal	hour	hour	market rate
Survey manpower (2 person)	navigator, tally person	linear km (or ha)	man day*	lacks**
Supervision (of contract or staff surveyors)	about 20% manpower costs		man day*	
Final Outcomes Report to FRIAA	total # and location attacked trees	project	man day*	\$800.00/report

<b>Ground Surveys (concentric, r:value, green:red ratio)</b>				
Proposal to FRIAA	1/project	plan	man day*	\$800.00/plan
Survey manpower	50m radius plot/ initially one per location	hectare	man day* (or plot)	\$275/plot
Quality inspection /man day)	minimum 15% of sites @		man day*	market
Supervision (of contract or staff	about 20% manpower costs		man day*	market
Aircraft rental	project		\$/hour	market
Final Outcomes Report to FRIAA	1/project	plan	man day*	\$500.00
<b>3. SINGLE TREE CONTROL</b>				
Proposal to FRIAA	1/project	plan	man day*	\$ 800.00
Ground Treatments	cut, buck, burn; chip	#/trees	tree or (man day)	\$130.00/tree
Quality inspection	15% of surveyed sites	site	man day*	market
Aerial Scanning	# & location of sites visited	hour	\$/hour	market
Final Outcomes Report to FRIAA	1/project	plan	man day*	\$ 500.00
<b>4. PROTECTION - GENETIC TRIALS, ORCHARDS, RESEARCH PLOTS</b>				
Proposal to FRIAA	1/project	plan	man day*	\$500.00
Verbenone pouches	1 pouch per 15 x 15M grid (70	pouch	pouch	9.40
Pouch set up and removal orchard	attach north side tree 15 x 15M grid	pouch	man day*	\$1.40/pouch
Pouch set up and removal trial sites	attach north side tree 15 x 15M grid	pouch	man day*	\$3.50/pouch
2-component tree bait	1/season	bait	bait	\$ 4.47
Lindgren 12/16 funnel trap	1 - 4 traps/orchard, >50M from orchard boundary	trap	trap	65.90
Trap 3 component lure	1 / season	lure	lure	6.75
Trap terpinoline lure	1 change/season	lure	lure	3.85
Trap stand	3 traps 1M apart 6' above ground	stand	stand	\$50.00
Set up, monitor, removal of traps	monitor up to 16 times/season	trap	man day*	\$41.00/trap
Insecticide (Sevin)	2% solution applied to each tree	Litres	\$/Litres	\$19.00
Insecticide application	apply to lower 2.5 M of each tree	# trees	tree or man day*	\$6.00/tree
Monitoring/replacement of PSPs/ISPs			man day*	\$500.00
Final Outcome Report to FRIAA	1/project	plan	man day*	\$500.00
<b>5. REGIONAL PLANNING INITIATIVES</b>				
Activities as approved by FRIAA	Project	plan	man day*	\$500.00

This Appendix has two primary functions; 1) to provide further detail on eligible activities as defined in Section 1.01 (f) of the Program Description, and 2) provide guidance in regards to reasonable costs for these activities as referenced in Section 4.02 (f) of the Program Description

1. Eligible Activities

With the exception of removal of cone collection, the broadest grouping of eligible activities (e.g. detection surveys or protection of orchards or trials) has not changed since the inception of the program; however, as guidelines for implementing these activities have evolved, there may have been some changes to detailed sub-activities listed in earlier versions of this Appendix. One example of this is removal of mid-season monitoring from long distance dispersal monitoring. The addition of sub-activity detail to this Appendix is intended to provide additional guidance in regards to frequency or quantity of the common activities associated with each major task.

**Note:** Cone collection is no longer an eligible activity for this program.

## 2. Cost Guide

An earlier version of this Appendix listed “cost caps” for each activity; these were subsequently replaced with “cost guidelines” intended to provide a framework for development and review of proposed projects. Projects proponents are reminded that neither of these were intended to identify fixed costs for specific activities or sub-activities. In all cases, the actual reimbursement for services will be according to the actual documented costs of providing those services.

In some cases, there may have been a disconnect between the units in the stated “cost guides” compared to those that needed to be tracked to demonstrate actual cost. Take single tree control as an example. If the project proponent has sub-contracted the control activities and the basis for payment is the number of trees controlled, then the third party invoice documenting actual costs is based on the same unit as was provided in the cost guide for this activity. However, if single tree control was completed with internal staff (say as a follow up to a log yard monitoring program), the documentation of actual costs may be based on some other units (e.g. man days).

The addition of “cost unit” column of this Appendix is intended to serve as a reminder that cost guides based on other units are for guidance only and do not constitute fixed costs for purposed of billing. Retention of “metric units” and “cost guides” are provided to demonstrate linkages between units actually tracked and productivity of those units in relation to historical cost guides and/or costs of final reports.

All costs are listed as a guide for budget development and are reflective of FRIAA’s past experience and recent competitive bids received by the Department. Actual payment amount for these activities will be based on third party invoices by the Approved Contractor provided to FRIAA. Where work is carried out in-house, applicable time sheets/cards indicating time spent on the project and wage rates charged to the project are required in lieu of an invoice. In any cases where anticipated costs exceed the cost guidelines (on a metric units basis), the rationale for these higher costs must be provided in the project proposal and must be pre-approved by FRIAA.

\* Cost per man-day are “loaded” costs including vehicle and field equipment. All costs at market value as determined by level of staff experience required and distance to staging point with rationale provided in the proposal. Historic prices have ranged significantly depending on activity and circumstances (e.g. quality control of remote single tree treatments may be at \$850/ day; bait checks at mill site \$340/ day).

**Note:** market value of man-day costs in isolation of expected productivity for those man-days does not provide much guidance on expected costs; comparison to “cost guide” is intended to provide linkages to historic program costs.

\*\*lacks – means insufficient number or value of recent projects to provide much correlation between cost units (e.g. man-day rate) and final metrics for activity



## APPENDIX “B”

### Priority Rankings for Eligible Activities

September 2011

This table outlines the Department’s management priorities related to the eligible activities listed in Appendix “A” of the FRIAA MPB Program Grant Agreement.

This information is intended to guide the ranking of proposals submitted to the project proposal review team.

**Table 1.0**

Eligible Activities	Leading Edge	Holding	Inactive Holding	Other Areas
<b>1. Aggregation Pheromone Use</b>				
Long distance dispersal monitoring	N/A	N/A	N/A	M
Containment baiting *	Priority determined by MPB DSS			N/A
Log yard management	H	M	N/A	H
<b>2. Detection Surveys</b>				
Aerial surveys (human observer)	H	H	L	L
Aerial surveys (photography)	H	H	M	L
Ground surveys *	Priority determined by MPB DSS			N/A
<b>3. Single tree control *</b>				
Priority determined by MPB DSS				N/A
<b>4. Protection of genetic trials, orchards and research plots **</b>				
	H	H	H	H
<b>5. Seed Collection and Seed Orchard Expansion ***</b>				
Pine seed collection	M	H	H	L
Spruce seed collection	L	L	M	L
Pine seed orchard expansion	H	H	H	M
<b>6. Regional Planning Initiatives</b>				
Priority assessed by project proposal				

H = High priority activity

M = Moderate priority activity

L = Low priority activity

N/A = Activity not supported by Department strategy or not applicable

\* Priority for operational control related activities determined by *MPB Priority Decision Support System*

\*\* Priority further determined by the *Mountain Pine Beetle Management Plan for Genetics and Tree Improvement Seed Orchards, Field Trials and Conservation Seed Collections*.

\*\*\* Priority further determined by the *Forest Operations Seed Zone Priorities*