Third Party Vendors in Conservation

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Introduction
The U.S. Department of Agriculture (USDA), through the Natural Resources Conservation Service (NRCS), has considerable history in working with organizations in the private and public sectors to assist in delivering conservation technical services to individuals and communities. The agency has used a variety of mechanisms to work with these sources of technical services—from its early contracting work with private engineers and other specialists to more recent memorandums of understanding with professional organizations and others.

The 1996 farm bill, the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA) described certification of third parties for the purposes of performing residue measurement. The Act also stated that:

In the preparation and application of a conservation compliance plan under Subtitle B or similar plan required as a condition for assistance from the Department of Agriculture, the Secretary shall permit persons to secure technical assistance from approved sources as determined by the Secretary, other than the Natural Resources Conservation Service.¹

In addition, in the language creating the Environmental Quality Incentives Program (EQIP), FAIRA stated:

The Secretary shall ensure that the processes of writing and developing proposals and plans for contracts under this chapter, and of assisting the implementation of structural practices and land management practices, covered by the contracts, are open to individuals in agribusiness, including agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers.²

These actions helped to accelerate the use of private and local government sources of technical services, in addition to the continuing development of the Certified Crop Advisers program.

Today, public and private interest in how best to engage third party vendors in providing technical services is increasing. In developing new farm policy, Congress has considered varying proposals that relate to third party vendors. Language from the Senate provided for conservation technical assistance from certified parties for conservation planning, practice design, installation, and certification and training for producers. House language also included provisions for technical assistance to an eligible producer directly or, at the option of the producer, through an approved third party if available. Some proposed language provided detail on conditions for considering a provider

¹ Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127) Subtitle E, Sec.1243 (d), April 4, 1996, 110 STAT 1009.
“approved.” While it is yet uncertain as to if or how Congress may address third parties in the new Farm Bill, it is clear that the issue is under consideration. This briefing paper provides examples of how the agency has engaged third party vendors to supplement the work of NRCS staff. The paper also discusses the historical developments of technical standards in the agency and the delivery of technical assistance to owners and operators to install conservation practices. While NRCS employees stationed at local field offices and working in cooperation with conservation districts traditionally have done much of this work, the agency also has a long history in involving external sources in some of its activities, for example in complex design and construction jobs.

Technical Assistance and the Origins of Technical Standards
The planning and installation of conservation practices is closely tied to the development of technical guidance, standards, and designs. One of the major contributions of Hugh Hammond Bennett, the first Chief of the Soil Conservation Service (SCS; predecessor to NRCS) was to make the point that soil conservation would require the efforts of many and various sciences and technical disciplines. To take one example, terracing was viewed as the panacea for conserving soil, giving little regard to the benefits of vegetation for holding soil in place. Bennett argued that conservation on the farm had to draw on many sciences and technical disciplines, and that these specialists would need to work in concert to address conservation problems.

But from where could Bennett draw this cadre of multidisciplinary technical experts? College curricula were not organized around the concept of soil and water conservation, but rather on individual disciplines such as soil science, forestry, agronomy, engineering, and other technical specialties. While these technical fields were useful in the work, they were not integrated or focused toward the common conservation objective. Because of this situation, SCS had to develop internally much of the technology, technical tools, and training needed for its job.

On the early demonstration projects, teams of agronomists, engineers, foresters, biologists, and others designed coordinated conservation plans for individual farms. Soon they began drafting technical guidance, standards, and specifications in handbooks and manuals. As the work of the Service expanded, there was increased need to transmit information to a growing and geographically dispersed field workforce. SCS added additional demonstration projects and supervised numerous Civilian Conservation Corps. Consistent instructions were needed to guide the technical field staff.

In 1937, SCS began assigning conservationists to work with new conservation districts as they were formed. The one or two conservationists working in a district needed technical guidance and instructions on a variety of conservation practices. As SCS field offices expanded throughout the country, they developed a system of regional offices. Specialists at regional offices wrote many of the technical manuals and guides. For instance there might be manuals for a particular region on agronomy, engineering, biology, and other subjects.

Linking Cost-Sharing to Technical Standards
An event in the early 1950s prompted the Service to formalize its technical standards for conservation practices and to make them more widely available. Secretary of Agriculture Charles Brannan sought to resolve disputes between SCS and the Production and Marketing Administration (PMA; predecessor to the Agricultural Stabilization and Conservation Service and

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3 This discussion of the third party provisions in the various bills is based on a document prepared by John Stierna, “Three Way Comparison of Conservation Title for Senate and House Farm Bill Proposals.”
the Farm Service Agency). The PMA was in charge of making payments to farmers for conservation practices under the Agricultural Conservation Program (ACP), while SCS possessed the technically trained personnel stationed at local field offices capable of planning, designing, implementing, and checking the practices. To get the agencies to work together and to ensure that conservation practices were planned, designed, and installed properly, Secretary Brannan ordered in Secretary’s Memorandum No. 1278, that:

...where agricultural conservation program funds are obligated for the performance of permanent type improvements, the PMA County Committee shall secure the recommendations of the local Soil Conservation Service technician assigned to the Soil Conservation District as to the proper performance of such work.

Technical phases of the permanent type soil conservation work on the lands within a county shall be under the direction of the Soil Conservation Service technician assigned to that county, who shall receive program guidance from the PMA County Committee in consultation and cooperation with the governing body of the Soil Conservation District.4

An Administrator’s Memorandum signed by Don Williams established policies as to how the work was to be carried out. SCS technical staff determined if the practice was needed and feasible, completed design and layout of the practice, supervised practice installation, and checked the certification of the performance. Policy issued in 1955 stated that:

During construction or application of the practices, the SCS technician will inspect the project as often as is necessary to assist the farmer in assuring himself that ACP handbook specifications are being met and high technical standards adhered to. Such inspections during construction will simplify the performance certification when the work is completed.5

It was imperative that SCS develop conservation practice technical standards and specifications.

In 1956, the Service further refined its procedures. Each State conservationist submitted copies of the ACP standards in effect in their State to the appropriate Engineering and Watershed Planning Unit. (If need be, the Engineering Division at the National Headquarters could be called upon.) Some states involved the Extension Service, experiment stations, and colleges in developing standards, but SCS ultimately was responsible.6

SCS might plan the practices with the farmer or rancher, and then the farmer or rancher could implement them. On practices that required specialized equipment or labor, a contractor might do the work and the SCS employee would certify to the County Committee that the practices were properly designed and installed. Then the County Committee could make payment. The procedure made it incumbent upon SCS to develop and provide standards for the “permanent” type practices so contractors would have guidance on their design and installation. But the SCS employee, not the contractor, had responsibility to certify that the work was done properly and in accordance with SCS standards.

4 Secretary’s Memorandum No. 1278, February 15, 1951. History Office, Natural Resources Conservation Service, Washington, D.C.


In 1956, SCS was given responsibility for the first time for the cost sharing and the technical aspects of the Great Plains Conservation Program (GPCP). In the GPCP program, SCS was in charge of entering into contracts with the farmers and making cost-share payments. SCS and the landowners developed contracts covering the whole farm that described the practices to be installed as well as a schedule for installation. While SCS would provide much of the technical assistance, farmers also might employ contractors to do some of the specialized work. Conservation standards were essential to guide contractors’ activities.

Contracting as a Mechanism for Providing Technical Services
Like many other Federal agencies, SCS has used outside contractors in order to implement elements of its programs. Recently, several Administrations have encouraged greater use of the private sector for performing government activities. SCS experience with engaging private sector and other Federal expertise goes back at least to the 1950s when contracting for specialized services was becoming increasingly important for the agency. SCS and later NRCS has contracted with groups or organizations at State and local levels to accomplish a variety of tasks from complex engineering design and highly specialized surveys to site appraisals and easement recordation. This array of experience has shown that some services and activities may be more suitable for contracting than are others. Today, contracting for specific expertise remains an important element in a number of conservation programs.

With the passage of the Watershed Protection and Flood Prevention Act of 1954, SCS’s construction of earthen dams and other sophisticated engineering structures expanded greatly. The increase in work began to appear as a result of the Pilot Watershed Projects authorized in the Agricultural Appropriations Act for fiscal year 1954 (P.L. 156, 83d Congress, approved July 28, 1953). Agency engineers designed a great number of the structures, but they also contracted for engineering design services. Contractors also performed a number of the geological surveys and cultural resource surveys needed to complete watershed projects.

Encouraging Private Engineers to Participate
In 1954 the agency issued policies to guide “Cooperation with private engineers employed by local agencies and individuals on conservation work.” The policy emphasized the following:

Although engineers and others may be employed to do work in furthering these programs, the responsibility for programs— involving federal cost sharing and the establishment of standards of quality for practices—cannot be delegated to other agencies or individuals.

In addition to the watershed work, the policy pertained to “the determination of need and feasibility of permanent type ACP practices, and certification for payment for such practices.”

In 1970, SCS consolidated its guidance on use of non-SCS engineers and defined the responsibilities of sponsoring local organizations, private engineers, and SCS. In establishing policy, SCS tried to distinguish between assistance to individuals and groups and assistance to sponsoring organizations in project-type activities, Flood Protection, Small

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8 Administrator’s Memorandum SCS-41, “Circulars, Field Orders, and Memorandums,” RG 114, Records of the Natural Resources Conservation Service, National Archives, College Park, Maryland.
Watershed Program, and Resource Conservation and Development (RC&D). The policy memorandum recognized that the larger jobs would attract the interest of private engineers and that private engineers could provide part of the workforce to further the program. But, the memorandum went on to say "The performance of engineering service by a private engineer or by a sponsoring local organization does not relieve SCS of its responsibility for quality of the work."9

In regard to assistance to individuals or groups, primarily of the ACP-funded type, it was thought that private engineers would be interested primarily in the larger jobs. And the policy recognized there was some benefit to SCS, and encouraged the use of private engineers. The guidance stated:

Generally, private engineers are interested in the larger jobs, both for individuals and of groups, and the their services are used where available to free SCS engineers for other work that takes less time per job.10

Under this scenario, SCS engineers could devote their time to jobs that generally would not attract the private engineers.

Cultural Resources: State-level Contracting and Agreements

Contracting has also been used to acquire specialized expertise to comply with Federal archaeological and historical preservation law. NRCS has utilized a mixture of means to accomplish this work.

Historically, NRCS signed individual contracts for archaeological survey studies and reports for larger jobs. Most of these contracts involved work for specific Watershed Protection and Flood Prevention (PL 566, or small watershed program) projects. The State office staff administered these contractors similarly to other contracts dealing with watershed projects. But some State offices also signed cooperative agreements with other organizations to provide these services, especially those having professional staff with needed qualifications, such as State departments of natural resources, the U. S. Forest Service, the U.S. Army Corps of Engineers, State historical preservation offices, and universities. These organizations not only had trained archaeologists with the needed technical experience but also were familiar with the applicable Federal procedures and regulations.

Today, NRCS in some states is entering into "indefinite delivery contracts" for needed archaeological and historical preservation services. The NRCS State Office retains "on-call" the professional services of specific consultants with the skills required to meet compliance responsibilities. The contractor agrees to respond and commence the needed research within a specific period of time (generally three days). This approach to gaining needed expertise has worked well for meeting the requirements of these Federal statutes.11

Wetland Reserve Program: Partners at the State Level

NRCS State conservationists administer wetland easement acquisitions and restoration activities under the Wetlands Reserve Program (WRP). Because of the specialized nature of much of the work, it has proven advantageous to engage groups and organizations outside of the agency to accomplish certain program activities. NRCS uses a combination of long-term contracts with landowners, cooperative agreements with State and local agencies and private organizations, and Federal contracts. In establishing easements on wetlands, for example, NRCS typically hires

10 Ibid.
11 Information provided by Sarah Bridges, Cultural Resources Specialist, NRCS, Washington, DC
local attorneys, appraisers, surveyors, and closing agents. These highly specialized skills are essential; but are only needed on an intermittent basis. Where wetland restoration is involved, various contractors are hired to perform a variety of restoration activities. On many WRP projects, NRCS signs cooperative agreements with private groups (e.g., Ducks Unlimited) and State and other Federal agencies (e.g., State fish and wildlife agencies, the U.S. Forest Service, and the U.S. Fish and Wildlife Service) for planning, surveys, and restoration on wetlands.12

Contracting in the Soil Survey
In February 1987, the Soil Survey Program developed a plan for future contracting in response to the Office of Management and Budget Circular A-76, “Performance of Commercial Activities.” In a recent briefing paper, Tom Calhoun of the Soil Survey Division reported on results of the effort. The Soil Survey Productivity Improvement task force identified functions that might be contracted and functions that were inherently a governmental responsibility. The experience of the Soil Survey Program has been mixed. Some processes lend themselves to contracting, such as digitizing and editing manuscripts, while others do not. In the area of field mapping certain functions such as transportation to the field, conducting transects and transverses, making soil profile descriptions, and sampling for chemical and physical analysis are effectively contracted. Other aspects of mapping, such as formulation of mapping units, delineation of landscape components, and development of interpretations are less successfully contracted. These latter activities include so many steps requiring judgment and experience that it has not proven cost effective to pay a contractor to do the work and then require a government employee to review each step and judgment that was made by the outside source.13

Professional Organizations and Certification
The conservation movement in the United States, fueled by Federal programs and supported by the increasing environmental awareness of the public at large, also contributed to a growth in specialized technical service providers and contractors. Some of these new professionals organized to establish associations that reflected their focus on soil conservation. In some cases, professional associations also developed procedures to allow for the training and certification of their members to enhance their recognition and to ensure that their services were consistent and of a desired quality.

Land Improvement Contractors of America
The growth of specialized contractors in farmland conservation led to the establishment of the Land Improvement Contractors of America (LICA) in 1950. LICA members contracted with farmers and ranchers to install irrigation and drainage systems, terraces, waterways, and carry out other earth moving and shaping activities. At least part of their work involved installing conservation practices for which cost-sharing was available to the farmer. SCS field staff were accustomed to working with these professionals and supplying them with technical standards and specifications. SCS field staff also had the responsibility for approving the work for payment.

The Food Security Act of 1985 added a new dimension to the relationship between SCS and LICA. The new Farm Bill stipulated that farmers who received assistance from USDA, including any commodity price support payments, would need to reduce erosion to an acceptable level on highly erodible land. This provision raised the

12 Information provided by Leslie Deavers, Watersheds and Wetlands Division, NRCS, Washington, DC. Authority for working through cooperative agreements may be found in P.L. 106-387, 114 Stat. 1549A-30 (2000).

prospect of an urgent demand for conservation work on farms. To some in SCS leadership it seemed that the workload might exceed the capacity of the SCS field staff. SCS began developing ways to increase the capacity to design and install conservation practices.

One method was to train non-SCS employees. The most likely cooperator for structural conservation practices was LICA. SCS and LICA began developing a cooperative relationship system acceptable to both.\(^1\) The organization signed a memorandum with the Soil Conservation Service on October 28, 1988 to cooperate on training contractors in SCS methods, procedures, and standards. Under the agreement, SCS could train LICA members (LICA sponsored the sessions but attendance could not be restricted to LICA members). After receiving training the contractors could lay out and check out conservation practices, such as terraces, waterways, ponds, and animal waste facilities. With sufficient training and demonstrated competency, they could also design practices.

According to Wayne Maresch, currently the Executive Vice President of LICA and a retired SCS employee, the use of contractors has been largely driven by the need for services at the local level. Where the district and State provided additional staff, use of contractors to implement conservation practices has been slow. Where available Federal and State staffing was inadequate to meet the existing workload, the approach has been used more. Mr. Maresch recalled that when drainage work was very active in the Midwestern states (Illinois, Indiana, and Ohio) contractors under SCS guidance often designed and constructed drainage systems that were eligible for ACP payments.\(^1\)\(^5\)

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\(^1\) Telephone Interview with John W. Peterson, November 27, 2001
\(^5\) Telephone interview with Wayne Maresch, November 27, 2001
control education and technology adaptation.\(^{17}\)

In November 2000, the CPESC Council incorporated as an independent entity, ending SWCS administration of the certification process. Shortly thereafter, SWCS and CPESC, Inc. signed a memorandum of understanding that described SWCS as “a sponsoring organization and establishes a relationship between the two organizations for the purposes of furthering the missions of each organization.”\(^{18}\)

Certified Crop Advisers

In 1991, the American Society of Agronomy (ASA) began discussions with university personnel, agribusiness leaders, and government agencies about the creation of a Certified Crops Advisers (CCA) program. The program would establish minimum qualifications for crop advisers, including requirements for education and experience, and require the candidate to pass two exams (an international and a local exam) prior to receiving certification. The goal of the CCA Program is to ensure quality, promote credibility, and foster high professional and ethical standards.

CCA Program exams cover four competency areas: nutrient management, soil and water management, integrated pest management, and crop management. The program also requires continuing education credits, which must correspond to these competency areas. The first exams for CCA certification were given in February 1993. Since that time more than 30,000 applicants from the United States and Canada have taken the exams and about 14,000 have received their certification.

National Level Memorandums of Understanding with Third Party Vendors

The 1996 Farm Bill broadened the availability of technical and planning assistance to eligible participants in USDA programs and provided a basis for formalizing a process for recognizing third party vendors—individuals with appropriate training and certification to provide conservation technical services. The 1996 Act stated:

The Secretary shall permit persons to secure technical assistance from approved sources as determined by the Secretary, other than the Natural Resources Conservation Service. \(^{19}\)

On the basis of this language, NRCS developed a process for certifying “approved sources” of conservation assistance.

Organizations or agencies wishing to become certified first must contact NRCS to receive requirements to use in qualifying their members or employees as approved sources. A Memorandum of Understanding (MOU) is developed between NRCS and the entity that describes their respective responsibilities. The certifying organization develops a registry of their qualified members and provides this to NRCS; the registry is updated annually. NRCS provides each organization with technical and program information as well as any pertinent information on an organization’s qualified member’s performance. Processes for managing continuing education and other administrative matters are further described in the MOUs.\(^{20}\)

NRCS presently has five national-level MOUs with Professional Organizations that help to facilitate the use of third party

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\(^{19}\) Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127) Subtitle E-Conservation Funding and Administration, Sec. 1243 (d), April 4, 1996.

vendors in carrying out USDA programs. The Director, Conservation Operations Division, serves as the national level contact for these MOUs. These national level MOUs afford State conservationists the flexibility to enter into specific agreements with these organizations for providing technical assistance that covers the full range of assistance that NRCS presently provides, from conservation planning to practice implementation.

Four of the MOUs were signed with organizations within the American Society of Agronomy (ASA):

1. Certified Professional Soil Scientists (signed April 19, 1999)
2. Certified Professional Agronomists (signed April 19, 1999)
3. Certified Professional Crop Scientists (signed May 17, 1999)
4. International Certified Crop Advisers (signed May 17, 1999)

The fifth MOU is with a professional organization that is not affiliated with ASA:

5. National Alliance of Independent Crop Consultants (signed May 17, 1999)

Individuals desiring conservation technical assistance are not required to obtain it only from approved third party vendors or government sources. USDA program participants are free to obtain assistance from any source they deem appropriate. In fact, NRCS has established a variety of ways to work cooperatively with individuals and groups, for example, the relationships with LICA and CPESC previously described. The third party vendor process established through national farm policy is simply one more mechanism for providing technical services to USDA program participants.

Third Party Vendor Interest in Providing Technical Services to Owners and Operators of Animal Feeding Operations

In part, the growing interest in facilitating third party participation in providing technical services is related to meeting the need of owners and operators of animal feeding operations (AFOs) and concentrated animal feeding operations (CAFOs) to develop and implement comprehensive nutrient management plans (CNMPs). Some proposed farm bill language, for example, specifically referred to the use of private sources of technical assistance in the planning and implementation of CNMPs.

During July 2001, NRCS conducted six public forums to gather comments and ideas on the role, capacity, and capability of private sector vendors to provide technical services related to CNMP assistance. The public responded to the following questions:

1. What do you believe the role of private sector vendors should be in providing technical services to AFO/CAFO owners and operators with the development and implementation of their CNMPs? Is there a distinction in this role as regards to regulated versus non-regulated AFOs?
2. What are the technical capabilities and capacities of private sector vendors in relation to the skills, knowledge, and experience needed to provide technical services associated with the development and/or implementation of CNMPs?
3. How do you see the capabilities and capacities of the private sector vendor community changing over the next few years? Over the next decade?
4. What is needed for a successful public/private partnership that will facilitate AFO/CAFO owners’ and operators’ development and/or implementation of CNMPs?

Private sector respondents included representatives from the Certified Crop Advisers, contractors, farm suppliers, engineering consultants, and farm cooperatives. Public sector respondents...
included conservation districts, State agencies, and county agencies. The responses to these questions were mixed. While the private sector indicated interest in an expanding role in providing technical services to the agricultural community, it was tempered with needing certainty that it could or would be profitable. For example, some private consultants, particularly engineers, expressed the concern of not being able to compete with publicly funded agencies and organizations.22

On the other hand, most conservation districts that responded agreed that some assistance is needed to complete the tasks. Their experience has shown that involving the private sector increases the amount of time to complete the necessary work. A few conservation districts questioned the need for certification and questioned the appropriateness of NRCS’s overseeing the role of the private sector in providing assistance to AFO/CAFOs. However, the National Association of Conservation Districts supports expanding the private sector role in providing technical assistance to producers and suggests that local conservation districts could coordinate these efforts.23

All respondents maintain that any form of public/private partnership needs to be facilitated and led by NRCS. Specifically, NRCS needs to set consistent standards, training, and administrative procedures for a public/private partnership to succeed.

Conclusion
Conservation is a partnership effort depending on many individuals and groups, from landowners and communities to the providers of technical services and government programs. It appears that Congress may address third party vendors as it considers national farm policy. Some of the proposed legislative language provided for conservation technical assistance from certified third parties for conservation planning, practice design, installation, and certification, as well as training for producers.

NRCS continues to work with third party vendors to increase technical services available to private landowners and operators. NRCS’ revised Conservation Planning Policy, issued in May 2001, put in place minimum criteria to help guide the development of training and certification programs for agency and external providers of technical assistance. The policy intent is to ensure that all providers of technical services meet the same level of competency in order to protect the public and ensure quality technical services.24 The agency’s technical guidance, standards, handbooks, and policies are the foundation on which effective third-party relationships can be built. Maintaining the agency infrastructure that supports its technical capacity will be fundamental to working with third party vendors in the conservation workforce.

22 Public Forums: The Role of the Private Sector in CNMP Development and Implementation, September 2001, NRCS internal draft.
23 Written comments provided by NACD to NRCS on the use of third party vendors to provide technical services, July 2001.