BCTS
BC Timber Sales

External Guidance Document for elimination of performance securities for BCTS Planting Contracts

Performance Securities Not Required on BCTS Planting Contracts

BC Timber Sales (BCTS) has standardized the requirements for performance securities on BCTS planting contracts. All new BCTS planting contracts entered into (signed) **on or after August 1, 2016**, will no longer require performance security deposits. The need for performance securities was examined and is deemed to be mitigated by contract mandatories and penalties currently in place.

Existing Option-to-Renew (OTR) Contracts

For existing planting contracts with an Option-to-Renew clause (OTR), a security deposit will not be required, if the OTR is implemented **on or after August 1, 2016**. Upon renewing OTR planting contracts that currently have performance securities those securities will be returned to the contractor upon signing the contract renewal.

Penalty for Defaulting on BCTS Planting Contracts

If a contractor signs a planting contract with BCTS and defaults on the contract they will be suspended as follows:

- For the first default the contractor will be suspended *Province Wide* from bidding on BCTS contracts and renewing Option to Renew (OTR) planting contracts for one (1) year.

- For the second default the contractor will be suspended *Province Wide* from bidding on BCTS contracts and renewing Option to Renew (OTR) planting contracts for two (2) years.

Suspended contractors will be put on the Corporate Services for the Natural Resource Sector (CSNR) Disqualified Bidders List.

Approved by TSLT May 2016