



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 penalized as follows:

Contractors will be disqualified Province Wide from bidding on BCTS planting contracts and/or renewing Option-to-Renew planting contracts for two (2) years. The contractor will be placed on the Ministry's Disqualified Bidders List and disqualified from bidding on all BCTS planting contracts.