



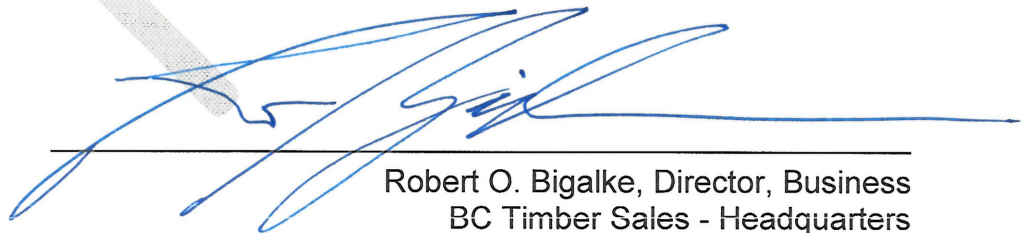
**BCTS**  
BC Timber Sales

April 4, 2017

## **RE: BCTS Directive – No Consumer Price Index (CPI) for Option to Renew (OTR) Contracts**

The Contract Efficiencies Working Group was requested by the BC Timber Sales Contractor Advisory Committee to look into standardizing the application of Consumer Price Index adjustments for OTR contracts. There is currently no ministry policy regarding the standardized application of CPI for OTR contracts. The CPI may be negotiated, if inflation is over 3% which rarely occurs.

Therefore, effective immediately, BCTS will not negotiate CPI on OTR contracts. In extreme circumstances an exception may be made. All exceptions must be approved by the Director, Business, BCTS. Where the director approves an exception, any resulting negotiated OTR rates will be calculated by BCTS Headquarters.



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Robert O. Bigalke, Director, Business  
BC Timber Sales - Headquarters