

COPPERMINE CHAPTER
PROCUREMENT POLICIES AND PROCEDURES MANUAL

I. AUTHORIZATION

- A. Pursuant to 26 N.N.C. § 101 (A), the *COPPERMINE Chapter* (hereafter "*COPPERMINE Chapter*") is required to formulate, implement and operate under a Five Management System to ensure procurement accountability. Accordingly, *COPPERMINE Chapter* has developed policies and procedures to implement the Five Management System consistent with applicable Navajo Nation Law.
- B. Pursuant to *COPPERMINE Chapter* Resolution No. CO-10-009-20, the *COPPERMINE Chapter* Procurement Policies and Procedures Manual (hereafter "Procurement Manual") has been approved.

II. PURPOSE AND SCOPE OF POLICY

- A. The Procurement Manual sets forth the authority, principles and procedures governing the procurement of goods and services by the *COPPERMINE Chapter*. The Procurement Manual provides the basis for the implementation of and general provision to obtain goods and services at a competitive price within a reasonable time.
- B. The general principles of the Procurement Manual are applicable to all *COPPERMINE Chapter* employees and members of the *COPPERMINE Chapter*, including *COPPERMINE Chapter* Officials who will monitor procurement activities to ensure all handling of *COPPERMINE Chapter* procurement is done in accordance with principles detailed in the Manual.
- C. The *COPPERMINE Chapter* may establish its own regulations for the accounting of purchased goods and services consistent with Navajo Nation laws and stipulations attached to grants, contracts, or related to procurement agreements. The *COPPERMINE Chapter* will provide assurance that all purchasing is done to benefit the *COPPERMINE Chapter*, and comply with *COPPERMINE Chapter* members' action and approval.
- D. These policies and procedures shall provide adequate and accurate information for *COPPERMINE Chapter* reporting activities, help justify how resources are utilized, serve as an important internal control measure, help document important decisions, and provide a history of the *COPPERMINE Chapter*'s procurement activities.
- E. These policies and procedures shall ensure that all procurement activities are supported with proper and accurate documentation.

III. APPLICABLE LAWS:

The *COPPERMINE Chapter* shall comply with all applicable state, federal, and Navajo Nation laws, including the Navajo Business Opportunity Act, 5 N.N.C. §§ 201 *et seq.*, and the Navajo Business and Procurement Act, 12 N.N.C. §§ 1501 *et seq.* Upon certification of its Procurement Manual by the Transportation and Community Development Committee,

the *COPPERMINE Chapter* is expressly not governed by the Navajo Nation Procurement Act, 12 N.N.C. §§ 301 *et seq.*, which requirements and procedures are replaced by this Procurement Manual.

IV. PROCUREMENT POLICIES

- A. The *COPPERMINE Chapter* shall treat all perspective vendors in an equal and fair manner, in order to not give preferential treatment to any vendor(s) or prospective procurement source of goods and services.
- B. The *COPPERMINE Chapter* shall ensure maximum open and free competition regardless of the dollar value of the goods or services being purchased.
- C. No rewards, favors, gifts or other form of remuneration shall be received from any vendor(s), contractor, individual or firm, or any other sources having relations with the *COPPERMINE Chapter*.
- D. The *COPPERMINE Chapter* shall have a clearly defined remedy under the terms of any contract or agreement entered into by the *COPPERMINE Chapter* if either party is treated in an unjust manner. Any such remedy shall strictly comply with the Navajo Sovereign Immunity Act, 1 N.N.C. §§ 551 *et seq.* Pursuant to 1 N.N.C. § 554 (J), any *COPPERMINE Chapter* contract or agreement providing for arbitration shall require prior review and approval by the Navajo Nation Department of Justice and compliance with the Navajo Nation Arbitration Act, 7 N.N.C. §§ 1101 *et seq.*
- E. All *COPPERMINE Chapter* purchasing activities shall require:
 1. Community approval, to be obtained through a community-approved budget or by individual/specific approval. Individual/specific approval will be documented by use of a *COPPERMINE Chapter* resolution.
 2. Review of purchasing requirements and requisitions to insure that the most economic means of purchasing are adopted and to avoid duplicate purchases.
 3. An accurate, fair and unbiased description of the goods or services needed on a request for purchase or purchase orders.
 4. Awarding of purchase agreements only to those organizations, vendor(s) and suppliers who are capable of providing goods or services needed, and who have proven to be responsible suppliers.
 5. Purchase costs to be reasonable through the adoption of a process that provides a mechanism of ensuring fair and open competition.
 6. The *COPPERMINE Chapter* administration staff to maintain documentation of all purchases and establishment of a purchase monitoring system which ensures goods and services are provided in the time frame requested and

consistent with applicable terms and conditions specified in any applicable agreement.

7. The *COPPERMINE Chapter* to make accurate, proper and timely payments on all procurement of goods and services to maintain the *COPPERMINE Chapter's* creditability and good will with vendor(s), contractor(s), or other debtors.

F. The *COPPERMINE Chapter* shall comply with all applicable Navajo Nation laws, including, but not limited to, the Navajo Business Opportunity Act, 5 N.N.C. §§ 201 *et seq.*, the Navajo Business and Procurement Act, 12 N.N.C. §§ 1501 *et seq.*, the Navajo Nation Privacy Act, 2 N.N.C. §§ 81 *et seq.*, the Navajo Nation Ethics in Government Law, 2 N.N.C. §§ 3741 *et seq.*, the Navajo Uniform Commercial Code, 5A N.N.C. §§ 1-101 *et seq.*, and 2 N.N.C. § 223 by the following procedures:

1. Pursuant to 26 N.N.C. § 2002 (A) and (B), the *COPPERMINE Chapter* shall adhere to all contract requirements enumerated therein.
2. That all reasonable effort shall be made to offer purchasing opportunities to qualified Navajo-owned suppliers and vendors.

G. Unauthorized purchases are prohibited. Any *COPPERMINE Chapter* employee or *COPPERMINE Chapter* official who charges any procurement of goods or services to the *COPPERMINE Chapter* without proper authorization may be subject to penalties and may be personally liable, as provided in the *COPPERMINE Chapter* Personnel Policies and Procedures Manual or other applicable laws of the Navajo Nation. The *COPPERMINE Chapter* shall not be liable, faulted or responsible for unauthorized purchases.

H. Any unauthorized purchase performed may result in immediate termination and release of employment from the *COPPERMINE Chapter*, in accordance with any applicable personnel policies and the Personnel Manual under the *COPPERMINE Chapter's* Five Management System.

I. The *COPPERMINE Chapter* Officials are prohibited from making purchases on behalf of the *COPPERMINE Chapter*. The *COPPERMINE Chapter* Officials can consult with the *COPPERMINE Chapter* Manager on the Administration making purchases which will greatly benefit the *COPPERMINE Chapter*.

J. All checks for payments to vendors and suppliers shall require two signatures before fund disbursement. The *COPPERMINE Chapter* Secretary/Treasurer shall co-sign all *COPPERMINE Chapter* checks along with the *COPPERMINE Chapter* Manager. In the event that the *COPPERMINE Chapter* Secretary/Treasurer is unavailable, another alternate authorized signatory shall sign in his/her place, and shall provide a justification memorandum for any such signature.

K. The following purchasing limits shall be as follows:

1. On any purchase from \$ 0 to \$ 2,500 total purchase, the *COPPERMINE Chapter* Administrative Assistant may verbally obtain purchase and vendor information. Fund availability and budgeted line item shall be documented on the Fund Approval Form. The three verbal quotations shall be documented and include the vendor's name, identity of the individual(s) contacted, price

quotation, date of contact, phone numbers and the method of contact. Information gathered via internet is valid. Funds must be available and budgeted for such purchases. Said purchases shall only require the approval signature of the *COPPERMINE Chapter Manager*.

2. On any purchase from \$ 2,501 to \$ 10,000 total purchase, the *COPPERMINE Chapter* Administrative Assistant shall obtain three (3) or more written quotations from different vendors. To expedite the purchase, the vendors can fax their cost and terms to the *COPPERMINE Chapter Manager*. All documents must be properly recorded and kept on file. This provision shall only require the signature approval of the *COPPERMINE Chapter Manager*.
3. For any purchase from \$ 10,001, to \$ 50,000 total purchase, the *COPPERMINE Chapter* Administrative Assistant shall obtain three (3) or more written quotations from different vendors. The *COPPERMINE Chapter Manager* shall insure that certified entities under the Navajo Business Opportunity Act receive preference, and shall recommend the selected vendor to the *COPPERMINE Chapter* for approval by a simple majority vote during a duly-called Regular *COPPERMINE Chapter* meeting.
4. All procurement contracts and agreements exceeding \$ 50,000 shall be governed by the applicable rules and procedures under the Navajo Business Opportunity Act, 5 N.N.C. §§ 201 *et seq.*, and those procurement provisions further enumerated at Section VII of the Procurement Manual.

V. GENERAL DUTIES AND RESPONSIBILITIES

A. Administrative Responsibilities:

1. The *COPPERMINE Chapter Manager* shall:

- a. Be the primary check signer of all *COPPERMINE Chapter* checks pursuant to 26 N.N.C. § 1004 (B) for payment to vendors, along with the *COPPERMINE Chapter* Secretary/Treasurer. In the event that the *COPPERMINE Chapter* Secretary/Treasurer is unavailable, another authorized alternate signatory shall sign in his/her place, said signature which shall require a justification memorandum by the alternate signatory.
- b. Be the custodian of all official books, records, documents and funds of the *COPPERMINE Chapter* pursuant to 26 N.N.C. § 1004 (C).
- c. Approve/disapprove purchase requisitions to assure purchases are within the budget according to funding guidelines, reasonableness, and necessity.

- d. Select the vendor(s) based on vendor's reliability in terms of past procurement, general reputation and compliance with applicable Navajo Nation Laws.
- e. Investigate any discrepancies and report it immediately to appropriate authorities.
- f. Recommend amendments to the Procurement Policies and Procedures Manual.

2. The *COPPERMINE Chapter* Administrative Assistant shall:

- a. Identify a need to procure services, supplies or equipment for *COPPERMINE Chapter* purposes or projects, and initiate the purchase requisition, based on availability of funds.
- b. Obtain price quotations when required, and verify fund availability by reviewing the appropriate ledgers.
- c. Prepare the appropriate documents for signatory approval.
- d. Prepare and submit all applicable documents to the selected vendor(s).
- e. Verify that the vendor received all documents for purchases.
- f. Obtain and receive the merchandise along with the invoice(s) and prepare receiving report(s) for goods and services received.
- g. Submit invoice and receiving reports to the *COPPERMINE Chapter* Manager for payment.
- h. Also have responsibility of offering recommendations for amending procurement policies and procedures.
- i. Have responsibility of reporting discrepancies and illegal procurement activities to the *COPPERMINE Chapter* Manager or *COPPERMINE Chapter* Officials.

3. Temporary Employees:

- a. May make requests to the *COPPERMINE Chapter* Administrative Assistant for goods and/or services during his/her employment with the *COPPERMINE Chapter*.
- b. May also obtain and receive the merchandise along with the invoice(s) for goods and services received.

B. *COPPERMINE Chapter* Officials' oversight responsibilities:

1. The *COPPERMINE Chapter* President shall:

- a. Work closely with the *COPPERMINE Chapter* Vice-President and *COPPERMINE Chapter* Secretary/Treasurer to ensure that the *COPPERMINE Chapter* administration is adequately meeting the *COPPERMINE Chapter's* directives and expending funds according to conditions of the Navajo Nation Council and/or the *COPPERMINE Chapters* annual budgetary objectives, and shall report to the *COPPERMINE Chapter* Membership.
 - b. In the absence of the *COPPERMINE Chapter* Secretary/Treasurer, may co-sign all *COPPERMINE Chapter* checks with a justification memorandum.
 - c. Monitor and review on a quarterly basis the procurement activities and processes of the *COPPERMINE Chapter*, but pursuant to 26 N.N.C. § 1001 (E) shall not have any direct involvement in the management and operations of the *COPPERMINE Chapter* administration.
 - d. Work towards resolving any discrepancies, irregularities, or illegalities in the procurement process.
 - e. Make recommendations for discussion to amend, modify or revise the Procurement Manual.
2. The *COPPERMINE Chapter* Vice-President shall:
- a. In the absence of the *COPPERMINE Chapter* President, assume delegated duties and responsibilities of the *COPPERMINE Chapter* President for a reasonable time period.
 - b. Assist in the quarterly review of the *COPPERMINE Chapter* procurement process, but pursuant to 26 N.N.C. § 1001 (E) shall not have any direct involvement in the management and operations of the *COPPERMINE Chapter* administration.
 - c. Have responsibilities that include resolving and/or reporting discrepancies and illegalities to the appropriate authorities.
 - d. Have responsibility of offering recommendations for amending procurement policies and procedures.
3. The *COPPERMINE Chapter* Secretary/Treasurer shall:
- a. Work closely with the *COPPERMINE Chapter* President and *COPPERMINE Chapter* Vice-President to ensure that the *COPPERMINE Chapter* administration is adequately meeting the *COPPERMINE Chapter's* directives and expending funds according to conditions of the Navajo Nation Council and/or the *COPPERMINE Chapters* annual budgetary objectives, and shall report to the *COPPERMINE Chapter* Membership.
 - b. Monitor the maintenance of an adequate accounting system to ensure accountability of all funds and expenditures; and will report financial

statements to the *COPPERMINE Chapter* President and *COPPERMINE Chapter* Membership on a monthly basis.

- c. Ensure that the *COPPERMINE Chapter* administration prepares monthly financial reports of all transactions and expenditures of the *COPPERMINE Chapter* by categories.
- d. Co-sign all *COPPERMINE Chapter* checks along with the *COPPERMINE Chapter* Manager.
- e. Report discrepancies and illegalities to the appropriate authorities.
- f. Offer recommendations for amending procurement policies and procedures.
- g. Not have any direct involvement in the management and operations of the *COPPERMINE Chapter* administration pursuant to 26 N.N.C. § 1001 (E).

VI. PURCHASING SYSTEMS AND PROCEDURES

A. The following procurement procedures shall apply for reoccurring expenditures (electricity, water, telephone, heating, etc.) of goods and services with all funds received by the *COPPERMINE Chapter*:

1. Any *COPPERMINE Chapter* staff and *COPPERMINE Chapter* Officials may request for goods or services on a *COPPERMINE Chapter* Requisition Form (Exhibit F) through the *COPPERMINE Chapter* Administrative Assistant. The *COPPERMINE Chapter* Administrative Assistant shall review the request for need and necessity, but shall not hinder any reasonable request.
2. The *COPPERMINE Chapter* Administrative Assistant shall verify fund availability, prepare the requisition form and forward documents to the *COPPERMINE Chapter* Manager for approval.
3. The *COPPERMINE Chapter* Manager shall review documents for completeness and either approve or disapprove the purchase requisition.
4. If approved, the requisition form and supporting documents shall be submitted back to the *COPPERMINE Chapter* Administrative Assistant who shall order said goods and/or services.
5. Once an invoice is received showing the amount charged to the *COPPERMINE Chapter*, a Fund Approval Form (FAF) shall be attached with the invoice by the *COPPERMINE Chapter* Administrative Assistant and submitted to the *COPPERMINE Chapter* Manager.
6. The *COPPERMINE Chapter* Manager shall review the financial documents to make sure any invoice is correct and shall either approve or disapprove the requisition for payment.

7. Supporting documents shall be verified by the secondary signatory (generally the *COPPERMINE Chapter* Secretary/Treasurer) who shall also sign the check. In the event that the *COPPERMINE Chapter* Secretary/Treasurer is unavailable, another authorized signatory shall sign in his/her place, and shall require a justification memorandum by the alternate signatory.
8. Upon approval and issuance of a check, the *COPPERMINE Chapter* Administrative Assistant shall remit payment (check) to the vendor with a copy of the invoice attached.
9. The *COPPERMINE Chapter* Administrative Assistant shall post the expenditure to the check register and appropriate ledger.
10. The *COPPERMINE Chapter* Administrative Assistant shall file the original invoice with a copy of the canceled check(s) attached, in accordance with the *COPPERMINE Chapter's* Record Management Policy and Procedures Manual.

B. Purchase Order (PO) Procedures:

The *COPPERMINE Chapter* shall use a Purchase Order method of procuring goods and services when ordering office supplies, janitorial supplies, and fuel supplies, and for the procurement of non-professional services, including for any maintenance agreement for services to the office machines, *COPPERMINE Chapter* heavy equipment, and some building maintenance. Purchase Orders shall not be used for the procurement of any professional services, including any service where the industry standard for that profession provides for professional licensure such as for contractors, plumbers and electricians, and which shall require a Professional Services Agreement to be based on templates approved by the Navajo Nation Department of Justice (DOJ) in consultation with DOJ.

1. The *COPPERMINE Chapter* Administrative Assistant shall identify a need to procure eligible goods or services and shall verify funds availability.
2. The *COPPERMINE Chapter* Administrative Assistant shall obtain price quotations from at least three (3) vendors who will accept a Purchase Order.
3. The *COPPERMINE Chapter* Administrative Assistant shall fill out a *COPPERMINE Chapter* Purchase Requisition Form, which must contain a clear and concise description of the items required and the recommendation of a vendor. The *COPPERMINE Chapter* Administrative Assistant shall sign the purchase requisition form and forward the document(s) to the *COPPERMINE Chapter* Manager for approval or disapproval.
4. The *COPPERMINE Chapter* Manager shall review the purchase requisition for reasonableness, necessity, budget and fund compliance and either approve or disapprove the purchase requisition and vendor selection.
5. The *COPPERMINE Chapter* Administrative Assistant shall prepare a Purchase Order when the Purchase Requisition is approved.

6. The amount of the approved Purchase Order shall only be debited from the fund and subsidiary ledger and debited from the Check Register when the procured good or services are satisfactorily received.
7. The *COPPERMINE Chapter* Administrative Assistant shall submit the *COPPERMINE Chapter* Purchase Order to the vendor.
8. The *COPPERMINE Chapter* Manager shall be authorized and responsible to correct or void a Purchase Order for the following reasons:
 - a. Increase or decrease of a price quotation
 - b. Vendor's address change
 - c. Item number, description changes
9. Upon receipt of goods or services with shipping documents (bill of lading, invoice, etc.) an inventory shall be performed by the *COPPERMINE Chapter* Administrative Assistant who shall fill out the receiving report and stamp RECEIVED on the shipping document.
10. The *COPPERMINE Chapter* Manager shall review the purchase and receipt documents for completeness and accuracy.
11. The *COPPERMINE Chapter* Administrative Assistant shall prepare a check to the vendor and submit it to the *COPPERMINE Chapter* Manager for signature. The check shall also be signed by the secondary signatory.
12. The *COPPERMINE Chapter* Administrative Assistant shall remit payment to the vendor.
13. The *COPPERMINE Chapter* Administrative Assistant shall make posting notation to the fund and subsidiary ledgers to document the actual payment.
14. The *COPPERMINE Chapter* Administrative Assistant shall file the original invoice with a copy of the canceled check(s) attached, in accordance with the *COPPERMINE Chapter's* Record Management Policy and Procedures Manual.

C. Prepare a Fund Approval Form:

1. The *COPPERMINE Chapter* shall use the Fund Approval Form (FAF) method for emergencies or when vendor(s) do not accept *COPPERMINE Chapter* Purchase Orders.
2. The following procedures shall apply:
 - a. The *COPPERMINE Chapter* Administrative Assistant shall fill out the Fund Approval Form (FAF).
 - b. The *COPPERMINE Chapter* Administrative Assistant shall obtain the price quotes and checks for availability of funds.

- c. The *COPPERMINE Chapter* Manager shall review the FAF for reasonableness, necessity, fund and budget compliance and either approve or disapprove the proposed expenditures.
- d. If approved, the *COPPERMINE Chapter* Administrative Assistant shall prepare the check.
- e. The *COPPERMINE Chapter* Manager and the secondary signatory shall sign the check.
- f. The payment (check) shall be submitted to the vendor with an attached copy of the vendor's quote.
- g. The *COPPERMINE Chapter* Administrative Assistant shall post expenditures to the check register or appropriate ledger.
- h. Upon receipt of goods with shipping document (bill of lading, invoice, etc.), the *COPPERMINE Chapter* Administrative Assistant shall perform the inventory and marks the invoice as PAID.
- i. The *COPPERMINE Chapter* Manager shall review FAF with attached invoice.
- j. The *COPPERMINE Chapter* Administrative Assistant shall file all purchase transaction documents consistent with the *COPPERMINE Chapter* Records Management Policy and Procedures Manual.

D. Blanket Purchase Order:

1. When appropriate, the *COPPERMINE Chapter* may utilize the Blanket Purchase Order purchasing method to a vendor for a specified amount and period of time to cover purchases of a recurring nature, or purchases essential to the function or maintenance of *COPPERMINE Chapter* equipment, property or administration.

This purchasing method may be used to minimize the need of individual requisitions, purchase orders, and the costs related to the processing and filing of these documents.
2. When using a Blanket Purchase Order, the *COPPERMINE Chapter* shall maintain a subsidiary ledger of transactions in which all transactions are recorded, and the open balance of the Purchase Order is known.
3. The amount of the Blanket Purchase Order would be set up not to exceed a specified dollar amount, based on an estimate of expenditures for a specified period of time.
4. Only the *COPPERMINE Chapter* Manager shall order and receive goods or services on the Blanket Purchase Order.

5. In every transaction under this method the following procedures shall apply:

- a. The *COPPERMINE Chapter* Manager shall receive all requests to purchase materials, equipment or services. Any employees and *COPPERMINE Chapter* Officials may submit a request. Any request from a standing committee member shall only be made through a *COPPERMINE Chapter* Official.
- b. The *COPPERMINE Chapter* Administrative Assistant shall verify funds availability and acquire quotations from (3) three vendors.
- c. The *COPPERMINE Chapter* Administrative Assistant shall initiate a *COPPERMINE Chapter* Purchase Requisition Form, typewritten as follows:
 - (1) Complete all blank lines on the requisition form such as date, requestor, where and when materials are to be delivered, and the proper accounting code and fund number.
 - (2) Indicate last source or possible sources of supply, if known, in the space titled "Suggested Vendors".
 - (3) List the items required, giving a complete description including stock number (if applicable), manufacturer's or vendor's name and catalog number, if available.
 - (4) If the information is available, list the unit price from a previous purchase order, vendor's catalog or other source indicating the source from which the prices were taken. A copy of the requested quotations will be attached to the Purchase Requisition Form.
 - (5) If a partial shipment would not satisfy the *COPPERMINE Chapter's* need, then, a notation ["Do Not Ship Partial Order"] must be made on the Purchase Requisition Form.
- d. The *COPPERMINE Chapter* Administrative Assistant shall sign the Purchase Requisition Form in the space provided for and forward to the *COPPERMINE Chapter* Manager for approval, including a recommended vendor.
- e. The *COPPERMINE Chapter* Manager shall review the Purchase Requisition Form for reasonableness, necessity, budget and fund compliance and shall either approve or disapprove the requisition form and vendor selection.
- f. When the purchase is approved, the *COPPERMINE Chapter* Administrative Assistant shall prepare a Blanket Purchase Order and encumber funds.

- g. The *COPPERMINE Chapter* Administrative Assistant shall submit the *COPPERMINE Chapter* Blanket Purchase Order to the vendor.
- h. Upon receipt of goods or services with receiving documents (bill of lading, invoice, etc.) *COPPERMINE Chapter* Administrative Assistant shall perform an inventory, fill out the receiving report, and stamp the shipping document.
- i. The *COPPERMINE Chapter* Manager shall review the Blanket Purchase Order and receiving documents for completeness and accuracy. The *COPPERMINE Chapter* Manager shall then forward the receiving document to the *COPPERMINE Chapter* Administrative Assistant for recording in the appropriate fund ledgers to become a source document for processing an unpaid invoice.
- j. The *COPPERMINE Chapter* Administrative Assistant shall, upon approval, prepare a check to the vendor and submit the check to the *COPPERMINE Chapter* Manager for signature. The check shall be signed by the secondary signatory.
- k. The *COPPERMINE Chapter* Administrative Assistant shall remit payment to the vendor and post to the appropriate accounting ledgers.
- l. The *COPPERMINE Chapter* Administrative Assistant shall make posting notation to the fund and subsidiary ledgers to document the actual payment.
- m. The *COPPERMINE Chapter* Administrative Assistant shall file the original invoice with a copy of the canceled check(s) attached, in accordance with the *COPPERMINE Chapter's* Record Management Policy and Procedures Manual.

E. Emergency Fund Purchases:

- 1. All Emergency Fund purchases shall meet the following criteria :
 - a. A Declaration of Emergency shall first be declared by the President of the *COPPERMINE Chapter* or the President of the Navajo Nation, based upon an emergency bulletin issued by the Emergency Management Commission.
 - b. The *COPPERMINE Chapter* shall designate an Emergency Fund budget annually and this Fund shall be expended for weather-related emergencies and/or man-made or natural disaster affecting the health, safety, and welfare of *COPPERMINE Chapter* members, individually or as a group residing within the impacted area.
 - c. The *COPPERMINE Chapter* shall enact a community approved budget and refrain from unauthorized purchases. The Emergency Fund is a restricted fund and shall be expended consistent with established criteria and requirements in Section VII (D) (2)-(5) of this Policy.

- d. All Emergency fund disbursements shall have supporting documents properly filed at the *COPPERMINE Chapter Administration* for financial audit purposes.
- e. The list of recipients utilizing Emergency Fund commodities distributed free-of-cost shall be accurately filed at the *COPPERMINE Chapter*.
- f. The *COPPERMINE Chapter* shall expend the Emergency Fund only after *COPPERMINE Chapter* approval at an emergency *COPPERMINE Chapter* meeting.
- g. All Emergency Fund revenues shall be recorded on a pre-numbered cash receipt, which should be summarized and classified, by the type of revenue generated. All generated revenues shall be posted into the Emergency Fund account.

2. Emergency Priority Listing and Eligibility Requirements:

The *COPPERMINE Chapter* Emergency Funds shall only be used to provide relief support and services, in order of priority, to the following areas;

- a. **Priority One:** In every emergency and disaster incident, priority consideration shall be given to the welfare and care of high-risk elderly and individual(s) with health related conditions.
 - 1. Eligibility requirements:
 - i. Heart patients, elderly with illness, extreme cough and/or fever.
 - ii. Pregnant women with prenatal or post partum difficulties, newborn infants and children requiring medical attention.
 - iii. Diabetic, oxygen dependent, non-ambulatory, and recently discharged medical patients requiring constant medical attention.
- b. **Priority Two:** Priority consideration shall be given to main traveled roads that would allow community members to travel for food, water, hay and feed, fuel and medical attention.
 - 1. Eligibility requirements:
 - i. Snow, ice, and mud removal from roads leading to stranded families, high-risk, elderly and handicapped person(s).

- ii. Establish Emergency Response Team command center to coordinate the assessment, evaluation, and service delivery plan.
 - iii. Equipment repairs and maintenance not to exceed \$6,000.
 - iv. Purchase of gas and diesel fuel for any equipment engaged in providing emergency response relief.
 - v. Overtime compensation for temporary personnel engaged in emergency response.
 - vi. Lodging and meals for heavy equipment operator(s) engaged in emergency road clearance operations.
 - vii. Reasonable rental or lease costs for equipment.
- c. **Priority Three:** Ample supply of food, water, and fuel to sustain a family of five for 3-5 days may be expended from the Emergency Funds.

1. Eligible services:

- i. Purchases of firewood, coal, food and water from private vendor.
- ii. Emergency funds not exceeding \$ 200.00 per household to purchase food.

d. **Priority Four:** Emergency Funds may be expended for temporary and short-term relief for a family of five [3-5 days] *used by families for their livelihood.*

1. Eligible services:

- i. Purchases of hay, feed, salt blocks, veterinarian supplies/medication and water for sheep, horses, cattle, and other form of livestock.
- ii. Emergency funds not exceeding \$ 200.00 per household.
- iii. Eligible household will participate in annual livestock tally counts and livestock management education, conducted by the Grazing Officer.
- iv. Upon *COPPERMINE Chapter* Membership approval the products can be resold at below market value.

3. Matching funds between agencies: Emergency funds may be used to provide matching funds or as a supplement to the delivery of relief services from the Navajo Nation Government, State Government, County Government, Bureau of Indian Affairs Roads Department and National Guard, and may include such items as fuel or temporary equipment operator(s) through a Memorandum of Agreement (MOA). The MOA shall be initiated when the President of the *COPPERMINE Chapter* declares an Emergency or the Emergency Management Commission issues its Emergency bulletin.

4. Standard Criteria For Declaration of Emergency or Disaster:

The *COPPERMINE Chapter* shall use the following criteria to determine whether an emergency or disaster exists in the community. (Refer to Exhibit J, Standard Criteria for further details).

- a. The lives and/or basic well being of persons and/or livestock in the community are in jeopardy due to the impact of a severe weather related, natural disaster or human cause.
- b. Conditions resulting from natural or weather related events severely obstruct the access of person(s) and/or livestock to obtain critical life sustaining supplies and resources.
- c. Community utilities have stopped functioning, which jeopardizes community services, communications and emergency care systems.
- d. A need for emergency assistance exists necessary to safeguard the lives of persons and/or livestock which cannot be met with existing local resources.
- e. The National Weather Service and/or the Department of Emergency Management Commission broadcasts notification of imminent danger of a natural disaster. Notification can also come from other direct sources, including local *COPPERMINE Chapter* Officials and members.
- f. A major unforeseen disaster is caused by human acts such as a chemical spill, major roads obstruction, or terrorist act.
- g. Major plague or illness is present such as the West Nile Virus, Bird Flu, Hanta Virus, etc.

5. Purchasing Method(s) For Emergency Fund:

- a. The *COPPERMINE Chapter* shall utilize the Fund Approval Form procurement method and cycle in Section VI (A) for all weather-related emergencies or natural disasters.

- b. The *COPPERMINE Chapter*, when practical, shall utilize the Purchase Order procurement method and cycle in Section VI (D) for emergency prevention and maintenance situations.

VII. COMPETITIVE SEALED BIDDING AND CONTRACTING FOR PROCUREMENT EXCEEDING \$50,000

- A. It shall be the policy of the *COPPERMINE Chapter* to follow all funding source guidelines and restrictions as well as applicable Navajo Nation laws when contracting for all professional services and any procurement exceeding \$ 50,000.
- B. Competitive Sealed Bidding is the currently preferred method of source selection for all professional services and any procurement exceeding \$ 50,000 by local governance certified Chapters, and shall be conducted in a manner consistent with the procedures set forth in the Navajo Business Opportunity Act at 5 N.N.C. § 205, as amended. Notwithstanding the competitive sealed bidding procedures under 5 N.N.C. § 205, the *COPPERMINE Chapter* may use any procedures for Qualification Based Selection (QBS) approved in the future by the Navajo Nation Council to be used by local governance certified *COPPERMINE Chapters* in the selection of certain professional services, including architects, engineers, and land surveyors.
- C. *COPPERMINE Chapter* Contract Requirements:
1. Any contract authorized to be executed on behalf of the *COPPERMINE Chapter* shall meet the following conditions:
 - a. Contracts shall not waive the sovereign immunity of the Navajo Nation or *COPPERMINE Chapter* and shall expressly state that nothing herein may be construed as a waiver of the sovereign immunity of the Navajo Nation and the *COPPERMINE Chapter*.
 - b. All contracts shall have sufficient funds appropriated and available.
 - c. All contracts shall comply with the Navajo Business Opportunity Act, 5 N.N.C. §§ 201 *et seq.*, the Navajo Business Procurement Act, 12 N.N.C. §§ 1501 *et seq.*, as amended, and the Navajo Employment Preference Act, 15 N.N.C. §§ 601 *et seq.*, as amended, any rules and regulations promulgated thereto, and any other applicable Navajo Nation law.
 - d. All contracts shall be awarded only after public advertisement and bidding *except* where otherwise authorized as purchases less than \$50,000, Emergency Fund purchases, Sole Source purchases, or qualification based selection pursuant to procedures approved for local governance certified *COPPERMINE Chapters* by the Navajo Nation Council.

e. All change orders, modifications or amendments of contracts utilizing Navajo Nation funds and *COPPERMINE Chapter* general funds shall not exceed 10% of the accepted bid. If the 10% cap is exceeded by any change orders, modifications or amendments, such change orders, modifications or amendments shall be subject to re-bid.

f. All contracts shall expressly state that the liability of the *COPPERMINE Chapter* and the Navajo Nation under the contract is contingent upon the availability of appropriations by the Navajo Nation Council and any other funding source necessary to carry out the *COPPERMINE Chapter's* obligations under the contract.

2. Invitation for Bids:

a. The *COPPERMINE Chapter* Manager, with technical assistance from the Navajo Regional Business Development Office and the Navajo Nation Business Regulatory Office staff, and in consultation with the *COPPERMINE Chapter* Officials, shall prepare the Invitation for Bids, which shall include a purchase description, all contractual terms and conditions applicable to the procurement, and the necessary qualification requirements of contractors and supplies needed to provide the goods or services. The following qualifications and documentation shall be required:

- (1.) Contractors Federal Identification Number
- (2.) Tax ID Number from Navajo Tax Commission
- (3.) Experience and expertise
- (4.) Navajo Preference
- (5.) Professional liability insurance
- (6.) Workmen's Compensation
- (7.) Bonding/Security for the construction
- (8.) Mandatory pre-bid conference attendance
- (9.) Resume of owner(s)

b. The *COPPERMINE Chapter* Manager shall determine the maximum or feasible price or cost of the contract or procurement prior to soliciting bids and proposals. The maximum feasible price or cost must take into account the market price, architectural and engineering estimates, budgetary constraints and prototype cost. This information may not

be revealed until the award of the contract. Any *COPPERMINE Chapter* employee or *COPPERMINE Chapter* Official who provides such information may be held criminally and/or civilly liable.

c. Dates for the following shall be set by the *COPPERMINE Chapter* Manager, in consultation with the *COPPERMINE Chapter* Officials, and with technical assistance from the Navajo Nation Regional Business Development Office staff:

- (1.) Advertisement date, commencing and ending

- (2.) Pre-conference dates
- (3.) Site walk through
- (4.) Actual submission date for proposal
- (5.) Actual date for opening of bids, proposal and cost
- (6.) Selection of a Contractor
- (7.) Project completion time
- (8.) Contract formulization (signing of contract)
- (9.) Contract commencement
- (10.) Dates for period deliverable and payment for services
- (11.) Close out of contract/final reports

d. After preparing the invitation for bid solicitation, the *COPPERMINE Chapter* Manager shall provide ten (10) days public notice or invitation to bid in a newspaper having general circulation and distribution within the Navajo Nation; or, shall provide notice or invitation to bid by mail or facsimile to all certified businesses listed on the Navajo Nation Source List compiled and maintained by the Navajo Nation Business Regulatory Department. The Notice of invitation to bid shall include:

- (1.) The requirements, descriptions, classification and specifications of the goods or services requested;
- (2.) The deadline dates for submission of bids, bid openings, award and any other significant dates;

e. To demonstrate that competitive bidding was performed, the *COPPERMINE Chapter* shall maintain a copy on file of the solicitation used to obtain the bids. In addition, if the *COPPERMINE Chapter* used the advertising mechanisms to place the solicitation announcement, the *COPPERMINE Chapter* shall maintain a copy of the announcement and an indication of where and when such announcement was placed.

f. A pre-bid, pre-proposal, or a pre-contract conference shall be held to provide additional information only obtainable by seeing the site of service, construction site, or individuals with whom the contract is to be performed.

g. Once the actual submission date for bids/proposals has expired, no late bids or proposals shall be accepted. All bids shall be submitted to the *COPPERMINE Chapter* and shall be received and stamped at the *COPPERMINE Chapter* administration by the *COPPERMINE Chapter* Administrative Assistant. The *COPPERMINE Chapter* Manager shall ensure that all bid documents received are recorded and safeguarded in a safe or under lock and key until the bid opening date.

h. Bid Opening Procedures and Requirements; The following procedures shall be used at bid openings when there is more than

one priority business submitting a bid pursuant to 5 N.N.C. § 205 (E):

- (1) The bid opening will be at a designated site and announced two (2) weeks in advance through the local news media. A declaration by the *COPPERMINE Chapter* President to the public attending shall be made that all bid information is confidential and subject to the Navajo Nation Privacy Act, 2 N.N.C. §§ 81 *et seq.*, the Navajo Nation Ethics in Government Act, 2 N.N.C. §§ 3741 *et seq.*, and all other applicable Navajo Nation criminal and civil laws.
- (2) The *COPPERMINE Chapter* Manager, in the presence of witnesses, including the *COPPERMINE Chapter* Officials, shall open all bids publicly. The amount of each bid, and such other relevant information as may be specified by regulations, together with the name of each bidder, shall be recorded; the record and each bid shall be open to public inspection, to the extent permitted by the Navajo Nation Privacy Act, 2 N.N.C. §§ 81 *et seq.*
- (3) Bid Acceptance, Evaluation and Selection: Bids shall be unconditionally accepted without alteration or correction, except as authorized by the Navajo Business Opportunity Act, or other provisions of applicable law. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* Officials shall evaluate all bids based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The criteria affecting the bid price and considered in evaluation for award shall be objectively measurable, and may include discounts, transportation cost, and total or life cycle costs. No criteria may be used in bid evaluation that is not set forth in the Invitation for Bids.
- (4) Correction(s) or Withdrawal of Bids: Cancellation of Awards, correction(s) or withdrawal of inadvertently erroneous bids before or afterward, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening, no changes in bid prices or provisions of bids prejudicial to fair competition shall be allowed. All decisions to permit correction or withdrawal of bids shall be supported by a written determination made by the *COPPERMINE Chapter* Manager, and in consultation with the *COPPERMINE Chapter* Officials.

(5) Contract Award: the contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids, and whose bid is within the Maximum Feasible Cost. In the event all bids exceed available funds, as determined by the *COPPERMINE Chapter Manager*, and the low responsive and responsible bid does not exceed such funds by more than five (5%) percent, the *COPPERMINE Chapter Manager* and the *COPPERMINE Chapter Officials* shall be authorized to negotiate with the bidder to adjust the bid price in order to bring the bid within the amount of the available funds.

(6) The *COPPERMINE Chapter*, prior to contract formation, shall approve the contract award or the negotiated bid at a regular duly called *COPPERMINE Chapter* meeting. When the contract is formed, executed by the other party, and approved by the *COPPERMINE Chapter Membership*, the *COPPERMINE Chapter President* shall sign and execute the contract on behalf of the *COPPERMINE Chapter* in accordance with 2 N.N.C. § 222 (D) and other applicable law.

3. Competitive Sealed Proposals:

A contract may be entered into by competitive sealed proposal if the *COPPERMINE Chapter Manager* determines in writing to the *COPPERMINE Chapter Officials* that the use of competitive sealed bidding is either not practical or not advantageous to the *COPPERMINE Chapter*. The competitive sealed proposals process shall be conducted in a manner consistent with the procedures set forth in the Navajo Business Opportunity Act at 5 N.N.C. § 205.

4. Request for Proposals:

a. The *COPPERMINE Chapter Manager* shall prepare a Request for Proposal, including a purchase description, and all contractual terms and conditions applicable to the procurement. The Request for Proposals shall also set forth the criteria to be used in evaluation of proposals. The Request for Proposals shall also refer to the preference of Navajo and Indian-owned business under the Navajo Nation Business Opportunity Act.

b. Maximum Feasible Cost:

The *COPPERMINE Chapter Manager*, with assistance from the Navajo Nation Regional Business Development Office staff, shall develop, prior to advertisement of the Request for Proposals, a maximum feasible cost if a service is to be performed, based on the following:

1. Architectural and engineering estimates
2. Market price
3. Budget allocation

4 Prototype cost

c. Public Notice:

A minimum of ten (10) days public notice of the Request for Proposal shall be given before the opening of proposals, with dates on submission of proposals and proposal selection. It shall be the normal practice of the *COPPERMINE Chapter* to provide notice or invitation to bid to certified businesses listed on the Navajo Nation Business Source List compiled and maintained by the Navajo Nation Business Regulatory Department. The public notice may also be published in a newspaper with regular circulation.

d. Opening of Proposals:

- (1) Proposals shall be opened publicly by the *COPPERMINE Chapter* Manager in the presence of witnesses, including the *COPPERMINE Chapter* Officials. The proposals shall be tabulated in a Register of Proposals that will be set up by the *COPPERMINE Chapter* Administrative Assistant, and shall be available for public inspection after the contract award, to the extent provided for in the Navajo Nation Privacy Act, 2 N.N.C. § 81 *et seq.* All opening of Proposals for procurement amount in excess of \$ 50,000 shall be governed by Request for Proposals procedures under the Navajo Nation Business Opportunity Act at 5 N.N.C. § 205 (E).
- (2) The opening of all Requests for Proposals shall follow the same procedures promulgated at Subsection 2 (h) of this section.

e. Evaluation Factors:

Request for proposals shall state the relative importance of price and other evaluation factors. The *COPPERMINE Chapter* Manager and the *COPPERMINE Chapter* Officials shall evaluate all proposals, which will include criteria to determine acceptability such as inspections, testing, quality, workmanship, delivery and suitability for a particular purpose. No criteria may be used in proposal evaluation that is not set forth in the Request for Proposals.

f. Revisions to Proposals:

As provided for in the Request for Proposals, the *COPPERMINE Chapter* Manager may, after public notice but prior to bid closing date, conduct discussions with the responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award, for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Offerors shall be afforded fair and equal treatment with respect to any opportunity for discussion and revision of

proposals, and such revisions may be permitted after submission and prior to award for the purpose of obtaining a best and final offer. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

g. Award:

- (1) The *COPPERMINE Chapter* Manager with assistance from the Navajo Nation Regional Business Development Office staff will determine in writing to the *COPPERMINE Chapter* Officials which proposal is the most advantageous to the *COPPERMINE Chapter*, taking into consideration price and the evaluation factors set forth in the Request for Proposals. No other factors or criteria except those criteria set forth in the Request for Proposals shall be used in the evaluation. The contract file shall contain the basis on which the award is made, and shall be made public to the extent provided for in the Navajo Nation Privacy Act, 2 N.N.C. §§ 81 *et seq.*
- (2) The contract shall be awarded within five (5) days by written notice from the *COPPERMINE Chapter* Manager to the selected offeror whose proposal meets the requirements and criteria set forth in the Request for Proposals, and whose proposal is within the Maximum Feasible Cost.
- (3) The *COPPERMINE Chapter*, prior to contract formation, shall approve the contract award or the negotiated award at a regular duly called *COPPERMINE Chapter* meeting. Once the contract is formed and executed by the other party, the *COPPERMINE Chapter* President shall sign and execute the contract on behalf of the *COPPERMINE Chapter*, in accordance with 2 N.N.C. §222 (D) and other applicable law.

D. Cancellation of Invitation for Bids or Requests for Proposal:

An Invitation for Bids, a Request for Proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, or when it is in the best interest of the *COPPERMINE Chapter*. This shall be expressly stated in the Invitation for Bids, the Request for Proposals, or any other solicitation.

E. Responsibility of Bidders and Offerors:

1. Determination of Non-responsibility:

The *COPPERMINE Chapter* Manager may make a written determination of non-responsibility of a bidder or offeror. The unreasonable failure of a

bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such bidder or offeror.

2. Right of Nondisclosure:

Information furnished by a bidder or offeror pursuant to this section shall only be disclosed in accordance with the applicable provisions of the Navajo Nation Privacy Act, 2 N.N.C. §§ 81 *et seq.*

F. Contract Performance and Payment Bonds:

1. When a construction contract is awarded in excess of \$50,000, the following bonds or security shall be delivered to the *COPPERMINE Chapter* administration and shall become binding on the parties upon the execution of the contract:

- a. A performance bond satisfactory to the *COPPERMINE Chapter*, executed by a surety company, in an amount equal to 100% of the price specified in the contract.
- b. A payment bond, satisfactory to the *COPPERMINE Chapter*, executed by a surety company, for the protection of all persons supplying labor and materials to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to 100% of the price specified in the contract.

G. Construction and Construction Related Contracts:

1. For all construction and construction related procurement exceeding \$50,000.00, the *COPPERMINE Chapter* Manager, or the *COPPERMINE Chapter's* legal counsel, as applicable, shall consult with the Navajo Nation Department of Justice and shall use a contract template approved by the Department of Justice.

2. Sponsor-Lead Agency Agreement: The *COPPERMINE Chapter* Manager shall determine, in consultation with the *COPPERMINE Chapter* Officials, whether it is in the best interest of the *COPPERMINE Chapter* to have guidance or assistance from a Navajo Nation division, department or program for a particular construction or construction related project. If the *COPPERMINE Chapter* Manager determines that such guidance or assistance is in the best interest of the *COPPERMINE Chapter*, the *COPPERMINE Chapter* shall enter into a Sponsor-Lead Agency Agreement with the appropriate Navajo Nation agency with assistance from the Navajo Nation Department of Justice.

H. Sole Source Procurement:

A. A contract may be awarded for goods and services without competition when there is only one source for the unique required goods and/or service needed in a

single procurement of \$20,000 or less. The *COPPERMINE Chapter* Manager, in consultation with *COPPERMINE Chapter* Officials and the Navajo Nation Department of Justice or the *COPPERMINE Chapter's* legal counsel, shall determine the unique procurement nature and need and shall make written justification of a single source for the goods or services. The written determination and justification and the selection of the unique contractor shall be included in the contract file. Certified entities under the Navajo Business Opportunity Act shall receive preference in sole source procurement. A *COPPERMINE Chapter* resolution shall be required to certify the selection of the vendor and the purchase of goods or services.

B. Sole Source Procurement shall not be used to circumvent the requirements for competition under this Procurement Manual. Any reckless or intentional circumvention of the requirements for competition in procurement under the *COPPERMINE Chapter's* procurement policies or other applicable law shall subject any involved parties to civil and/or criminal liability.

I. Procurement of Licensed Professional Services:

1. For the purpose of procuring the services of accountants, auditors, architects, engineers, electricians, or other licensed professional services, the *COPPERMINE Chapter* Manager may determine in writing to the *COPPERMINE Chapter* Officials that the use of the competitive sealed bidding process is either not practical or not advantageous to the *COPPERMINE Chapter*.

2. The *COPPERMINE Chapter* may then procure said services by competitive sealed proposals. The competitive sealed proposals for licensed professional services shall be conducted in a manner consistent with the procedures set forth in the Navajo Nation Business Opportunity Act at 5 N.N.C. § 205, unless otherwise authorized as small purchases, emergency purchases, or sole source purchases under the *COPPERMINE Chapter* Procurement Manual, or qualification based selection of professional services authorized by other applicable law.

3. For all professional services contracts, the *COPPERMINE Chapter* Manager, or the *COPPERMINE Chapter's* legal counsel, as applicable, shall consult with the Navajo Nation Department of Justice and shall use contract templates approved by the Department of Justice.

VIII. INSPECTION, ACCEPTANCE OR REJECTION

A. Policy:

All goods or services received by the *COPPERMINE Chapter* shall be inspected and evaluated for acceptance or rejection. Contracts for the sale of goods and Buyer's rights to inspect, accept, or reject goods are governed by the Navajo Uniform Commercial Code, 5A N.N.C. §§ 1-101 *et seq.*

B. Procedures:

The following procedures shall be maintained for the inspection, acceptance or rejection of goods or services:

1. Upon receipt of goods and/or services the *COPPERMINE Chapter* Administrative Assistant shall examine the shipping documents and compare such documents with the original purchase order receiving copy.
2. The *COPPERMINE Chapter* Administrative Assistant shall verify the items and quantities received are correct according to the original purchase order.
3. The *COPPERMINE Chapter* Administrative Assistant shall prepare a receiving report of the goods and/or services received by the *COPPERMINE Chapter* and forward all documents (receiving reports, shipping documents, invoices, etc.) to the *COPPERMINE Chapter* Manager for inspection, acceptance or rejection.
4. The *COPPERMINE Chapter* Manager shall be responsible for inspecting and accepting or rejecting goods received based on the following:
 - a. Freight damaged merchandise
 - b. Shortage in shipments/overage
 - c. Low quality or non-conforming goods
 - d. Unauthorized order or shipment
5. If any of the discrepancies described above in Section IX (B) (4) are found during the *COPPERMINE Chapter* Manager's inspection, the *COPPERMINE Chapter* Manager shall notify the vendor(s) immediately to arrange for a method to return the merchandise, or to arrange for cure or other corrective measure satisfactory to both parties. For the *COPPERMINE Chapter's* specific right to reject goods, in whole or in part, see 5A N.N.C. § 2-601
6. To save time and cost, the *COPPERMINE Chapter* Manager may pick-up the merchandise at a vendor's commercial establishment where the goods can be examined and inspected.

IX. INVENTORY CONTROL

A. Resale Inventory:

The development and implementation of a resale inventory policy prevents overstocking, shortage and loss as a result of theft, spoilage, breakage, etc.

1. The *COPPERMINE Chapter* shall maintain detailed records of inventory items showing the description, cost, quantity and location of all inventories.
2. The total dollar value of inventory items and the price changes shall be recorded in the *COPPERMINE Chapter's* financial records.

3. Verification of inventory shall be made on a monthly basis through a physical count.
4. Any differences in the financial records shall be investigated for cause and the records adjusted accordingly. Any adjustment to the records shall require a justification memorandum by the *COPPERMINE Chapter Manager*.
5. The inventory shall consist of goods purchased and/or produced for resale. Examples of such inventory are hay, grain, craft items and fuel for households.
6. First-in-First-Out (FIFO) Inventory Method: The *COPPERMINE Chapter* shall use the FIFO inventory method. It is based on the assumption that the first items in are the first out of inventory. Under this method, the ending inventory balance will reflect the cost of the most recent purchases. The advantage of this method is that it gives an up-to-date inventory value.
 - a. The following example illustrates the use of the FIFO method for one inventory item under a perpetual inventory system. In this method, a cost must be assigned to each item of inventory purchased or sold.

March - INVENTORY LOG

Date 2006	Quantity	Unit Cost	Sale(s)	On- hand	Adj.	Amount	Balance (Inventory)
03/02	100	1.50		100		150.00	\$ 150.00
03/10	50	1.60		150		80.00	\$ 230.00
03/15		1.60	100	50		160.00	\$ 70.00
03/16		1.60	25	25		40.00	\$ 30.00
03/17	10 busted bales	1.60		15	16.00	16.00	14.00
03/20	25	1.60		40		40.00	\$ 54.40

- b. The *COPPERMINE Chapter* will also use the FIFO inventory method for all resale items. Determining the cost and value of the resale items will depend upon the following factors:
 - (1.) Cost to produce the item
 - (2.) Economic demand for the item
 - (3.) Comparable price on the market
 - (4.) *COPPERMINE Chapter* Membership approval of sale price
(hay, grain, etc.)
7. The *COPPERMINE Chapter* shall maintain support documentation on all inventory transactions on an ongoing basis. These inventory records shall reflect the inventory receipts, issuances and balances. The inventory record keeping and custodial functions shall be segregated for internal control measures.

- a. Inventory Sales Receipt (cash receipt): A pre-numbered and numerically controlled sales receipt form shall be prepared in duplicate for each sale. Each form shall be properly prepared and have the following information: number and quantities issued; unit sale price; vendor; date; total amount of sales; and the signature of the employee who sold the inventory. The inventory sale receipts shall be reconciled with the inventory records on a monthly basis, or whenever necessary.

8. Inventory Control Procedures:

- a. The *COPPERMINE Chapter* Administrative Assistant, at the time of inventory count, shall obtain the current perpetual inventory record and cross reference items during a physical count to determine whether any items are missing, damaged, spoiled, or obsolete.
- b. The *COPPERMINE Chapter* Administrative Assistant shall report any discrepancies to the inventory immediately to the *COPPERMINE Chapter* Manager.
- c. The *COPPERMINE Chapter* Manager shall review the inventory count listing and any findings by the *COPPERMINE Chapter* Administrative Assistant. If there is a major deficiency or changes in the inventory not properly recorded, the *COPPERMINE Chapter* Manager shall consult with the *COPPERMINE Chapter* Officials as soon as possible, and correct the deficiencies with the help of the *COPPERMINE Chapter* Administrative Assistant. Any changes to the inventory shall require a justification memorandum.
- d. The *COPPERMINE Chapter* Administrative Assistant shall handle all daily inventory record keeping. The *COPPERMINE Chapter* Manager shall perform a monthly physical count and reconciliation of cash receipt tickets to the inventory records.
- e. The *COPPERMINE Chapter* Manager shall use a fair market value determination in the resale of any items.

X. DEFINITIONS

The language contained in this section applies generally to this policy manual except as otherwise provided elsewhere in the Five Management Systems.

- A. Accounting - Accounting means the methods and records established and maintained to identify, assemble, analyze, classify, record and report a *COPPERMINE Chapter*'s financial transactions; and to maintain accountability.
- B. Administrative Functions - are those activities of the *COPPERMINE Chapter* government which are non-legislative, and which are performed by *COPPERMINE Chapter* employees.
- C. Bid - is a formal submission made as an offer by a potential supplier or service provider to provide goods and/or services to the *COPPERMINE Chapter*, which includes information such as pricing, delivery schedule and other information related to the

bidder's ability to provide the goods and/or services. A bid is evolved from the bidding process. A bid is not considered to be a binding offer by a vendor.

- D. Blanket Purchase Order – means a purchase method to acquire goods or services other a direct fund disbursement (check). For example: The *COPPERMINE Chapter* might wish to use a blanket purchase order to encumber a certain fund and to ensure that goods or services are received on regular basis.
- E. COPPERMINE Chapter Employee - means a person employed by the *COPPERMINE Chapter* government or administration and governed by the *COPPERMINE Chapter's* Personnel Policies under its Five Management System.
- F. COPPERMINE Chapter Manager - is the executive level professional who is hired by the *COPPERMINE Chapter* to be responsible for administering the Five Management Systems and the everyday administration of the *COPPERMINE Chapter*.
- G. COPPERMINE Chapter Officials - means the following public Officials elected by the registered *COPPERMINE Chapter* Membership: *COPPERMINE Chapter* President, *COPPERMINE Chapter* Vice-President, and *COPPERMINE Chapter* Secretary/Treasurer.
- H. COPPERMINE Chapter – means a political subdivision of the Navajo Nation considered as a general-purpose local government for reporting purposes of the Navajo Nation. The word “*COPPERMINE Chapter*” is also used as a reference to the land and the people of such subdivision.
- I. COPPERMINE Chapter Resolution - means the document recording the official action taken by the *COPPERMINE Chapter* Membership at a duly called *COPPERMINE Chapter* meeting, and certified by the presiding *COPPERMINE Chapter* official.
- J. Construction – means the process of building, altering, repairing, improving, or demolishing any public, structure or building, or other public improvement of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, building or real property.
- K. Contract - means all types of *COPPERMINE Chapter* agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction. The term contract does not include agreements, including prime contracts and grants, between the *COPPERMINE Chapter* and Navajo Nation, or the federal, state, and county government for the provision of governmental services to Navajos and other persons within the *COPPERMINE Chapter*.
- L. “Cost Plus” Contract – means paid on the basis of a fixed fee or a percentage added to actual cost.
- M Custodian – means an individual fiduciary entrusted with guarding and having day-to-day charge of official books, records, documents, equipment, property and funds of the *COPPERMINE Chapter*.

- N. Emergency Purchases - means an unforeseen and dangerous situation requiring immediate purchasing action by the *COPPERMINE Chapter* to restore peace, health and safety for the people or their property.
- O. Five Management System - means a system for the administration of the *COPPERMINE Chapter* government which includes fiscal, procurement, records, personnel and property management policies and rules.
- P. Navajo Nation Law - means Navajo statutes, administrative rules and regulations and Navajo Fundamental law.
- Q. Personal Property - is all supplies, materials, and equipment and other property, including expendable and non-expendable property, capitalized and non-capitalized, but which does not include real property or fixtures.
- R. Procurement – means buying, purchasing, renting, leasing, or otherwise acquiring any goods, services or construction related projects. It also includes all functions that pertain to the obtaining of any goods, services or construction related projects, including any requirements for said procurement, any selection and/or solicitation of sources, vendors, or contractors, and the preparation and award of any contract and all phases of contract administration.
- S. Proposal – means an offer to perform a contract for the performance of work and labor and/or the delivery of goods sought where it is neither practicable nor advantageous to the *COPPERMINE Chapter* to procure specified types of supplies, services, or construction projects by competitive sealed bidding.
- T. Request for Proposal – means all documents and information, whether attached or incorporated by reference, utilized for soliciting proposals.
- U. Real Property (*COPPERMINE Chapter*) - is any interest in land, together with the improvements, structures and fixtures located thereon.
- V. Responsive Bidder – means a person who has submitted a bid, which conforms in all material aspects to the Invitation for Bids.
- W. Responsible Bidder or Offeror – means a person who has the capability in all aspects to perform fully the contract requirements with integrity and reliability, and who will assure good faith performance.
- X. Services – means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports, which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.
- Y. Supplies – means all property, including but not limited to equipment, materials, printing, insurance, and lease of real property, excluding land or a permanent interest in land.
- Z. Vendor - means a person or a commercial establishment that sells goods or services. Example: one who has goods in a public place.

XI. APPENDICES

A.	NN Business Opportunity Act	Exhibit A
B.	NN Access to Information and Privacy Act	Exhibit B
C.	Navajo Uniform Commercial Code	Exhibit C
D.	Fund Approval Form	Exhibit D
E.	Purchase Requisition (PR)	Exhibit E
F.	Purchase Order (PO)	Exhibit F
G.	<i>COPPERMINE Chapter</i> Requisition Form	Exhibit G
H.	Receiving Report	Exhibit H
I.	Request for Quotation Form	Exhibit I
J.	Standard Criteria for Declaration of Emergency or Disaster	Exhibit J
K.	Bid Tabulation Form	Exhibit K
L.	Bid Evaluation Form	Exhibit L