# SUMMARY OF PROPOSED LEGISLATION

**Tracking No.** 0063-22

Date: March 29, 2022

Re: **AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION, AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501 – §2508**

Purpose of this Legislation:

to allocate $1,600,000 from the Síhasin Fund to cover the shortfall in funds for the construction of the Ganado Chapter Senior & Veterans Center Project; the shortfall is due to a significant increase in construction costs.

OLC No. 22-018-1

5-DAY BILL HOLD PERIOD: A Johnson
Website Posting Time/Date: 6:24 pm; 03-30-22
Posting End Date: 04-04-22
Eligible for Action: 04-05-22

Resources & Development Committee
Thence
Health Education & Human Services Committee
Thence
Budget & Finance Committee
Thence
Naabik'íyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

**24th NAVAJO NATION COUNCIL - Fourth Year, 2022**

Introduced by:

(Prime Sponsor)

Tracking No. 0063-22

**AN ACT**

**RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION, AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501 – §2508**

BE IT ENACTED:

**SECTION ONE. AUTHORITY**

A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with oversight authority over all 110 Navajo Nation Chapters, as well as community development. 2 N.N.C. §500(C) and 26 N.N.C. §102.

B. The Health, Education, and Human Services Committee is a standing committee of the Navajo Nation Council with oversight authority over matter involving health, social services, and veterans. 2 N.N.C. §400(C)(1); §400(C)(2).

C. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the responsibility to "review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds." 2 N.N.C. §301(B)(2).

D. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council that considers all proposed final actions by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A). As such, the Council may approve appropriations from the Navajo Nation's Síhasin Fund.

F. 12 N.N.C. §2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin Fund ("Síhasin Fund") as follows:

> §2502 Purpose
>
> A. The purposes of this Fund are to provide financial support and/or financing for:
>
> 1. The planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid waste management development, powerline Projects, and transportation and communication systems, within the Navajo Nation; . . .
>
> B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be limited by 12 N.N.C. §1310(F) or TCDCJY-77-99.
>
> C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in part, and other weighted uses of the Fund, including loan financing from the Fund, for the purposes in §2502(A)(1), shall be favored over direct funding in whole.

G. The Síhasin Fund provides that "Fund Principal" shall consist of all deposits made to the Síhasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Síhasin Fund Income shall be deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is duly approved. 12 N.N.C. §2504 and §2505(C).

H. The Síhasin Fund provides that "Fund Principal and Income shall not be expended except pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council." 12 N.N.C. §2505(A).

**SECTION TWO. FINDINGS**

A. The Division of Community Development - Capital Projects Management Department ("CPMD") is requesting $1,600,000 out of the Síhasin Fund to cover a shortfall of funds for the construction of the Ganado Chapter Senior & Veterans Center Project ("Ganado Project"). **EXHIBIT A.**

B. CPMD explains that the original construction budget for the Ganado Project was $3,070,000 but due to significantly increased costs the $3,070,000 allocated for the Project is now insufficient. **EXHIBIT B.**

C. CPMD's architects that bid out for construction services for the Ganado Project has provided a letter explaining that all contractor bids received have significantly exceeded the Project's original construction budget. **EXHIBIT C.**

D. CPMD has provided a "Construction Inflation Alert" from the Associated General Contractors of America, that also explains the reasons for the current extreme increase in construction costs. **EXHIBIT D.**

E. In Resolution No. CAP-35-18 the Navajo Nation Council approved an allocation of $833,333 for the Ganado Project. **EXHIBIT E.** CAP-35-18 is incorporated herein by this reference.

F. In Resolution No. CJY-57-20 the Navajo Nation Council approved an allocation of $1,444,032 for the Ganado Project. **EXHIBIT F.**

G. Allocation of the $1,600,000 as requested by CPMD meets the criteria for Síhasin expenditures because the proposed expenditure involves community development and government buildings, as described in 12 N.N.C. §2502(A)(1).

**SECTION THREE. APPROVING $1,600,000 FROM THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN**

A. In accordance with 12 N.N.C. §2505(A), the Navajo Nation hereby approves $1,600,000 out of the Síhasin Fund to cover the shortfall of funds for the construction of the Ganado Chapter Senior & Veterans Center Project, as explained in EXHIBIT A and EXHIBIT B.

B. The Navajo Nation hereby reapproves the Expenditure Plan for the construction of the

Ganado Chapter Senior & Veterans Center Project, as approved in CJY-57-20 and as explained in the construction documents prepared by CPMD's architect.

C. The total amount of $1,600,000 in Síhasin funds approved in this Act may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act (12 N.N.C. §1300 *et seq.*, as amended), using Síhasin Fund earnings for repayment and financing costs, upon approval of the Budget and Finance Committee and upon further approval by a two-thirds (2/3) vote of the full membership of the Navajo Nation Council.

D. The Controller shall determine whether the source of the $1,600,000 approved herein will be Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.

E. The $1,600,000 shall be disbursed to CPMD within ten (10) business days after the effective date of this Act, for CPMD's use in rebidding and obtaining construction services for the Ganado Chapter Senior & Veterans Center Project, as explained in EXHIBIT A and EXHIBIT B.

F. Any and all savings or unused amounts of the Síhasin funds approved herein shall be immediately returned to the Síhasin Fund Principal once the purchases described herein are completed, or upon the reversion deadline in Section Three (K) below.

G. The $1,600,000 shall not lapse on an annual basis, which would otherwise occur pursuant to 12 N.N.C. §820(N). However, any Síhasin funds not spent or encumbered within twenty-four (24) months of the date CPMD receives the approved $1,600,000 shall then immediately revert to the Síhasin Fund Principal, unless otherwise approved by both the Resources and Development Committee and the Naabik'íyáti' Committee of the Navajo Nation Council.

H. The Síhasin Fund shall be reimbursed the $1,600,000 amount approved herein, from funds available to the Navajo Nation from any and all state and federal sources, including Congressional appropriations under the American Rescue Plan Act of 2021 or other COVID-19-related relief, so long as the Project expenditures described herein are deemed eligible under such COVID-19-related or other funding sources.

**SECTION FOUR. EFFECTIVE DATE**

This Act shall become effective pursuant to 12 N.N.C. §2505.

**SECTION FIVE. SAVING CLAUSE**

If any portion of this Act is invalidated by the Supreme Court of the Navajo Nation, or by any Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the remainder of this Act shall be the law of the Navajo Nation.

**EXHIBIT A**

# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT  MYRON LIZER | VICE PRESIDENT

*Capital Project Management Department - P.O. Box 1510 - Window Rock, AZ 86515 –*
*Phone:* (928) 871-6734 - *Fax:* (928) 871-6098

## MEMORANDUM

**March 28, 2022**

TO : All Reviewers
Navajo Nation

FR : Andy Thomas, Project Manager & Marcus Murphy, Project Manager
DCD- Capitals Project Management Department

SUBJECT : **Ganado Chapter Senior & Veterans Center Funding Status**

Per Ganado Chapter Senior & Veterans Center project funding status and availability as of 12/30/2021. Capital Projects Management Department (CPMD) has completed evaluations and concluded that a Re-bid is recommended due to the outcome of bids submissions. Bids results were 45% over existing budget of $3,070,000 allocated by the Navajo Nation.

CPMD Construction Budget 2022-2023- **$4,418,333.00 / 4,747 Sqft. = $930 /Sqft**

Funding available are as follows:

| BUILDING (4,747 SQUARE FOOT) | | December 30, 2021 |
|---|---|---|
| Less RDCF (Sihasin-UUFB) | Constr. | $1,685,000.00 |
| Less RDCF-12-18 (UUFB) | A/E Firm Use | $300,000.00 |
| Less CAP 35-18 (Sihasin yr. 1) | Constr. | $833,333.00 |
| Request funding Legislation (In - Progress) | Constr. Need | ***$1,600,000.00*** |

We have identified that the General Contractors costs have increase due to high demand in materials and subcontractor services resulting in delays.

If you have any questions or need additional information, please contact Andy Thomas, PM 928-871-6739, or Marcus Murphy, PM 928-871-7714.

Thank you,

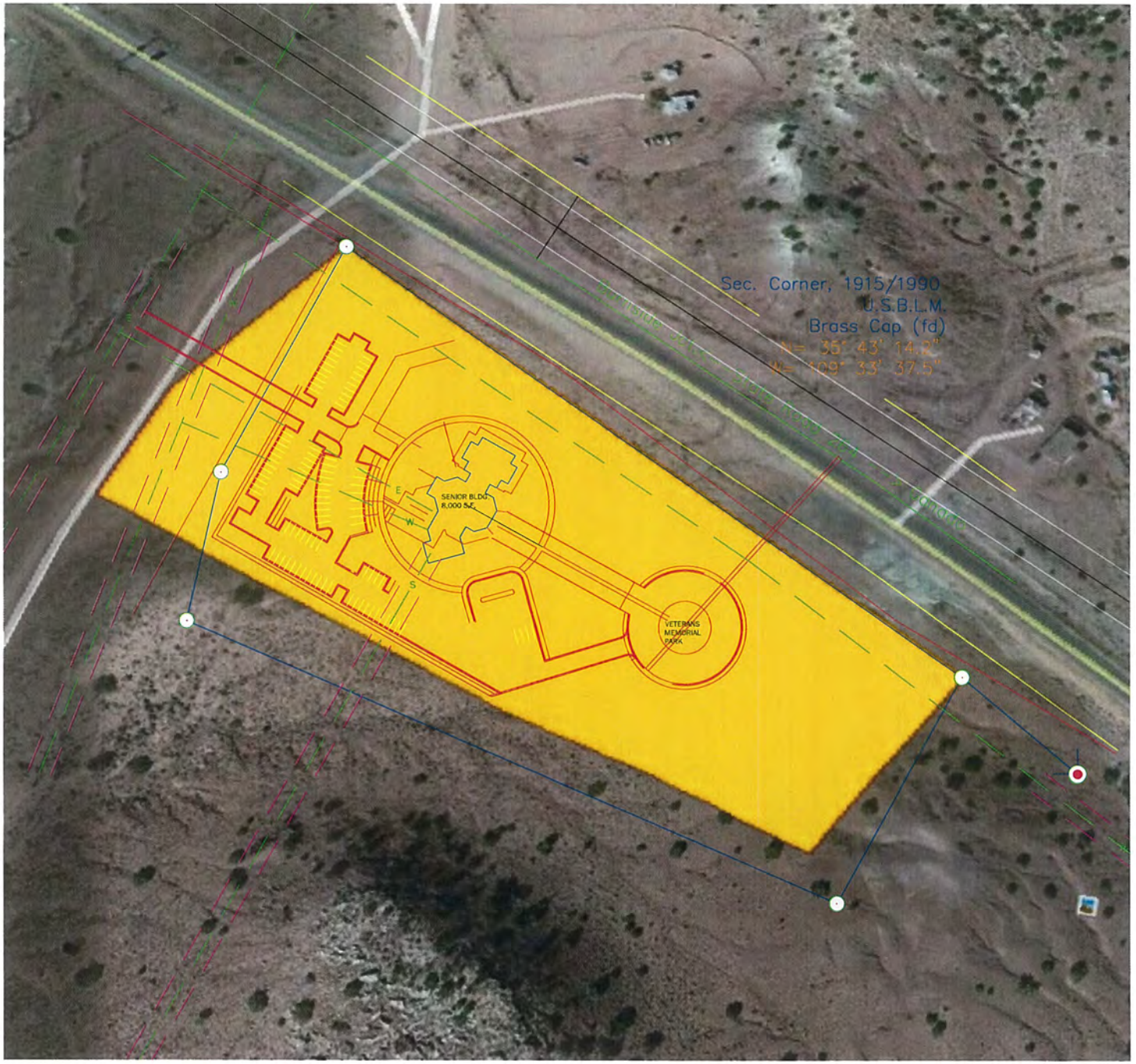

Sec. Corner, 1915/1990
U.S.B.L.M.
Brass Cap (fd)
N= 35° 43' 14.2"
W= 109° 33' 37.5"
SENIOR BLDG
8,000 S.F.
E
W
S
VETERANS
MEMORIAL
PARK

**EXHIBIT B**

# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

*Capital Project Management Department - P.O. Box 1510 - Window Rock, AZ 86515 –*
*Phone:* (928) 871-6734 - *Fax:* (928) 871-6098

## MEMORANDUM

**Date: October 18, 2021**

TO : Tamarah Begay, Principle in Charge & Nathan Wero, NCARB, CDT. Project Manager
Indigenous Design Studio + Architecture, LLC

FR : Andy Thomas, Project Manager & Marcus Murphy, Project Manager
DCD- Capitals Project Management Department

SUBJECT **: Ganado Chapter Senior & Veterans Center**

Per Ganado Chapter Senior & Veterans Center Invitation to Bid (ITB) bid results on 10/12/2021. Capital Projects Management Department (CPMD) has completed evaluations and concluded that a Re-bid is recommended due to the outcome of bids submissions. Bids results were 45% over existing budget of $3,070,000 allocated by the Navajo Nation.

CPMD Construction Budget- **$3,070,000.00 / 4,747 Sqft. = $646 /Sqft**

Bid Results are as follows:

1. Arviso Construction Company Inc. Priority 1- **$4,454,191.00 / 4,747 Sqft. = $938 /Sqft.**
2. Benally/Woodruff Construction. Priority 2- **$4,466,238.00 / 4,747 Sqft. = $940 /Sqft.**

We have identified that the General Contractors costs have increase due to high demand in materials and subcontractor services resulting in delays. We have reviewed the general conditions, steel structure, concrete, earth work, electrical, plumbing, HVAC all have high numbers due to the hesitation of vendors, suppliers not holding their cost no more than 30 days. We've reviewed both schedule of values provide by the general contractors several items are not detail in cost break downs, plus cost are not equal in certain construction divisions for example: Division 09-2900 Gypsum Board ACC is at $66,432. Division 09-2900 Gypsum Board BWC is at $392,295.

If you have any questions or need additional information, please contact Andy Thomas, PM 928-871-6739, or Marcus Murphy, PM 928-871-7714.

Thank you,

**EXHIBIT C**

Indigenous Design Studio + Architecture, LLC

October 25th, 2021

Andy Thomas, Senior Programs & Projects Specialist
The Navajo Nation - Capital Project Management Department
P.O. Box 1510
Window Rock, Arizona 86515

**Re: Ganado Senior & Veterans Center - Bid Documents Review & Recommendation**

Dear Mr. Thomas:

The lowest responsive base bid total Four Million, Four Hundred Fifty-Four Thousand, One Hundred, Ninety-One Dollars and Zero Cents ($4,454,191) was submitted by Arviso Construction from Iyanbito, NM. A combined Nine (9) Deductive Alternates Total of Four Hundred-Forty-Four Thousand, Nine Hundred, Thirty-One Dollars ($444,931) was also submitted with a Base Bid with Deductive Alternates Total of Four Million, Nine Thousand, Two Hundred, Sixty Dollars and Zero Cents ($4,009,260.00).

Arviso Construction is a Navajo-owned enterprise by Orville Arviso, President, registered as Navajo Priority #1 with the Navajo Nation Business Regulatory Office. Arviso Construction is licensed in the State of Arizona for general construction and submitted a US Treasury listed bid bond. All required bid documents were submitted and complete, and IDS+A has verified qualifying licenses and registrations with the State of Arizona are current and in good standing. Arviso Construction has completed and on-going contract work of construction projects with the Navajo Nation.

Arviso Construction, Navajo Priority #1 Base Bid had exceeded the Owner's Budget of $3,070,000 by $1,384,191. The Base Bid with Deductive Alternates had exceeded the Owner's Budget of $3,070,000 by $939,260. Per Navajo Nation Procurement Laws: Navajo Nation Priority #1 Bids would first be opened, if bids are not within 10% of Owner's Project Budget, Priority #2 Bids would be opened next. The ten percent (10%) of the Owner's Budget was at $307,000 and therefore Priority #2 Bid package were opened.

**ARVISO BASE BID W/O DEDUCTIVE ALTERNATES**

| Arviso Construction Base Bid | Owners Budget & 10% | Arviso Construction Above Owner's Budget |
|---|---|---|
| **$4,454,191** | **$3,070,000**<br>**$307,000** (10%) | **$1,384,191** |

**ARVISO BASE BID W/ DEDUCTIVE ALTERNATES**

| Arviso Construction Base Bid w/Deductive Alternates | Owners Budget | Arviso Construction Above Owner's Budget with Deductive Alternates |
|---|---|---|
| **$4,009,260**<br>*(total deduct.$444,931)* | **$3,070,000** | **$939,260** |

The second responsive base bid total Four Million, Four Hundred Sixty-Six Thousand, Two Hundred, Thirty-Eight Dollars and Zero Cents ($4,466,238) was submitted by Benally-Woodruff Construction from Flagstaff, AZ. A combined Nine (9) deductive alternates total of Five Hundred-Fifty-Four Thousand, Three Hundred, Seven Dollars ($554,307) was also submitted with an overall total bid including deductive alternates of Three Million, Nine Hundred-Eleven Thousand, Nine Hundred, Thirty-One Dollars and Zero Cents ($3,911,931).

Benally-Woodruff Construction is a 51% Navajo-owned enterprise by Leonado Benally, President, registered as Navajo Priority #2 with the Navajo Nation Business Regulatory Office. Benally-Woodruff Construction is licensed in the State of Arizona for general construction and submitted a US Treasury listed bid bond. All required bid documents were submitted and complete, and IDS+A has verified qualifying licenses and registrations with the State of Arizona are current and in good standing. Benally-Woodruff Construction has completed and on-going contract work of construction projects with the Navajo Nation.

Benally/Woodruff Construction, Navajo Priority #2 Base Bid had exceeded the Owner's Budget of $3,070,000 by $1,396,238. The Base Bid with Deductive Alternates had exceeded the Owner's Budget of $3,070,000 by $841,931. Per Navajo Nation Procurement Laws: Navajo Nation Priority #1 Bids would first be opened, if bids are not within 10% of Owner's Project Budget, Priority #2 Bids would be opened next. The ten percent (10%) of the Owner's Budget was at $307,000 and therefore Priority #2 Bid package were opened.

**BENALLY/WOODRUFF BASE BID W/O DEDUCTIVE ALTERNATES**

| Benally/Woodruff Base Bid | Owners Budget & 10% | Benally/Woodruff Above Owner's Budget |
|---|---|---|
| **$4,466,238** | **$3,070,000**<br>**$307,000** (10%) | **$1,396,238** |

**BENALLY/WOODRUFF BASE BID W/ DEDUCTIVE ALTERNATES**

| Benally/Woodruff Base Bid w/Deductive Alternates | Owners Budget | Benally/Woodruff Above Owner's Budget with Deductive Alternates |
|---|---|---|
| **$3,911,931**<br>*(total deduct.$554,307)* | **$3,070,000** | **$841,931** |

Both Bidders Base Bids with and without Deductive Alternates has exceeded the Owner's Budget of $3,070,000. The apparent lowest bidder of the Base Bid without Deductive Alternates would be Arviso Construction. The apparent lowest bidder of the Base Bid with Deductive Alternates would be Benally Woodruff.

**IDS+A PROJECT BUDGET CONSTRUCTION COST**

With recent IDS+A & CPMD projects bidding upwards between $800/sf to $950/sf, and the ongoing COVID epidemic and the uncertainty of the high material costs and shortage of materials, Construction Cost have doubled and/or tripled during the year 2021 and has no signs of returning to normalcy. July 15th, 2021 IDS+A submitted two Options to CMPD for the Estimated Overall Project Budgets for the Ganado Senior and Veterans project. Option#1 had an anticipated Construction Costs square footage at $820 per square feet for $4,903,081.96. Option #2 had an anticipated Construction Costs square footage at $750 per square feet for $4,500,989.50. Drawings at 95% CD Phase were submitted previously and approved with progress to move forward with Final Stamped Construction Documents for the bidding phase. On August 27th, 2021, IDS+A virtually attended the Ganado Community Development Project Meeting and provided a project status and update to the bidding phase, completion of the drawings, budget along with the ADOT Traffic Impact Study/Design, additional funds for the developments.

**ANTICIPATED CONSTRUCTION COST**

| IDS+A | Option #1 - 4800 Square Feet<br>Construction Estimate @ $820 /sf=<br>**$4,903,081.96** | Option #2 – 4800 Square Feet<br>Construction Estimate @ $750 /sf=<br>**$4,500,989.50** |
|---|---|---|

**RECOMMENDATION NO.1**

With both Base Bids exceeding the Owner's Budget, it is recommended to Re-Bid the project when additional funds come available plus including a 10% contingency factor added to the Owner's construction budget. This option will include additional service cost for the A/E team to re-bid the project and/or reduced the scope of work if the Owner pursues this option. Bidding was originally taken out of A/E scope of work and not part of the Original Contract but was provided as a in kind service, completing bid advertisement, answering bidders questions, issuing addendums, attending pre-bid meeting on-site and virtual bid opening, were to be compensated as reimbursable expenses.

**OPTION NO. 1**

| | | |
|---|---|---|
| Owner's Budget 2021<br>**$3,070,000** | Owners Budget Escalation 2022 @8%<br>& 10% Owner Contingency<br>$3,070,000+$245,600(8%) = $3,315,600<br>+$364,716(10% Cont.) = **$3,680,316** | Owners Budget Escalation 2023 @8%<br>& 10% Owner Contingency<br>$3,680,316+$294,425(8%) = $3,974,741<br>+$437,222 (10% Cont.) = **$4,411,963** |

**RECOMMENDATION NO.2**

The Base Bid submitted by Aviso Construction as Navajo Priority #1 and the apparent lowest base bid of $4,454,191, is recommended for further negotiations. However, the Base Bid without Deductive Alternates exceeds the Owner's Budget by $1,384,191. The Owner would need to expedite and seek funds to cover the remaining amount as the Bids are guaranteed three months from bid opening. If this option is selected, it is recommended the Owner establish timelines of securing funds. This option may not include additional services.

**OPTION NO. 2**

| | | |
|---|---|---|
| Arviso Base Bid 2021<br>**$4,454,191** | Arviso Bid Escalation 2022 @8%<br>& 10% Owner Contingency<br>$4,454,191+$356,335(8%) = $4,810,526<br>+$529,158 (10% cont.) = **$5,339,684** | Arviso Bid Escalation 2023 @8%<br>& 10% Owner Contingency<br>$5,339,684+$427,175(8%) = $5,766,859<br>+$634,355(10% Cont.)= **$6,401,214** |

**RECOMMENDATION NO.3**

The Base Bid with Deductive Alternates submitted by Benally-Woodruff Construction as Navajo Priority #2 and the apparent lowest base bid with deductive alternates of $3,911,931, is recommended for further negotiations. However, the Base Bid with Deductive Alternates exceeds the Owner's Budget by $841,931. The Owner would need to expedite and seek funds to cover the remaining amount as the Bids are guaranteed three months from bid opening. If this option is selected, it is recommended the Owner establish timelines of securing funds. This option may not include additional services, to be determined.

**OPTION NO. 3**

| | | |
|---|---|---|
| Benally/Woodruff Base Bid 2021 with Deductive Alternates<br>**$3,911,931** | Benally/Woodruff Bid with Deductive Alternates- Escalation 2022 @8%<br>& 10% Owner Contingency<br>$3,911,931+$312,955(8%) = $4,224,886<br>+$464,738 (10% Cont.) = **$4,689,624** | Benally/Woodruff Bid with Deductive Alternates- Escalation 2023 @8%<br>& 10% Owner Contingency<br>$4,689,624+$375,170(8%) = $5,064,794<br>+$557,127 (10% Cont.)= **$5,621,921** |

If a contract cannot be negotiated with either Arviso Construction or Benally/Woodruff Construction, the recommendation is to Re-Bid the project as currently designed later when the construction industry levels out and additional funds are secured, however construction cost escalations and contingency should be anticipated as in the tables above indicate. This would include re-bidding services for the A/E team as well as additional reimbursables, as in the Original Contract, Bidding Phase was not included.

Should you have any questions please don't hesitate to give me a call or email.

Tamarah Begay

Tamarah Begay, AIA, NCARB, AICAE, CDT, LEED AP BD+C
President / CEO
tbegay@ids-a.com

*Email: James Adakai, NN-CPMD*
*Pearl Yellowman, NN-CPMD Marcus Murphy, NN-CPMD*
*Willie Tracey Jr, NN-Ganado Chapter*

# GANADO SENIOR & VETERANS CENTER

**Bid Date: Tuesday, September 12th, 2021 at 1:30 P.M. (MSDT)**

## Tabulation of Bids

| | Name of Bidder "A" | | Name of Bidder "B" | |
|---|---|---|---|---|
| | Benally/Woodruff | (Difference Between Bids) | Arviso Constr. | |
| **BASE BID** | **$4,466,238.00** w/o Deductive Alternates | **$12,047.00** | **$4,454,191.00** Arviso Apparent Lowest Bidder w/o Deductive Alternates | **BASE BID** |
| Deductive Alternate #1 Landscape & Irrigation Plan | $ 171,000.00 | $ 91,892.00 | $ 79,108.00 | Deductive Alternate #1 Landscape & Irrigation Plan |
| Deductive Alternate #2 Drop-Off Canopy Structure | $ 67,658.00 | $ 3,685.00 | $ 71,343.00 | Deductive Alternate #2 Drop-Off Canopy Structure |
| Deductive Alternate #3 Trellis Structure | $ 22,185.00 | $ 8,658.00 | $ 30,843.00 | Deductive Alternate #3 Trellis Structure |
| Deductive Alternate #4 Three (3) Shade Canopies-Cable Anchored to Exterior Walls | $ 17,225.00 | $ 17,243.00 | $ 34,468.00 | Deductive Alternate #4 Three (3) Shade Canopies-Cable Anchored to Exterior Walls |
| Deductive Alternate #5 Accordion Partition at the Arts and Crafts & Conference Room | $ 22,100.00 | $ 8,539.00 | $ 13,561.00 | Deductive Alternate #5 Accordion Partition at the Arts and Crafts & Conference Room |
| Deductive Alternate #6 Operable Sliding Partition at the Partition at the Multi-Purpose Room | $ 32,200.00 | $ 3,947.00 | $ 28,253.00 | Deductive Alternate #6 Operable Sliding Partition at the Partition at the Multi-Purpose Room |
| Deductive Alternate #7 Nine (9) Solartube Skylights | $ 19,000.00 | $ 4,721.00 | $ 14,279.00 | Deductive Alternate #7 Nine (9) Solartube Skylights |
| Deductive Alternate #8 Commercial Kitchen Equipment | $ 85,922.00 | $ 18,115.00 | $ 67,807.00 | Deductive Alternate #8 Commercial Kitchen Equipment |
| Deductive Alternate #9 Asphalt Pavement, Striping, & Concrete Curbing of the North Parking Lot | $ 117,017.00 | $ 11,748.00 | $ 105,269.00 | Deductive Alternate #9 Asphalt Pavement, Striping, & Concrete Curbing of the North Parking Lot |
| **TOTAL OF DEDUCTIVE ALTERNATES** | **$ 554,307.00** | | **$ 444,931.00** | **TOTAL OF DEDUCTIVE ALTERNATES** |
| **BASE BID WITH DEDUCTIVE ALTERNATES** | **$3,911,931.00** Benally/Woodruff Apparent Low Bidder with Deductive Alternates | **$97,329.00** | **$4,009,260.00** with Dedective Alternates | **BASE BID WITH DEDUCTIVE ALTERNATES** |

## PROVIDED DOCUMENTS

| | | | | |
|---|---|---|---|---|
| Utilities Allowance ($50,000) | X | | X | Utilities Allowance ($50,000) |
| Bid Bond | X | | X | Bid Bond |
| Schedule & Values | X | | X | Schedule & Values |
| Bid Form | X | | X | Bid Form |
| Addendum #01 | X | | X | Addendum #01 |
| Addendum #02 | X | | X | Addendum #02 |
| Navajo Priority #01 | | | X | Navajo Priority #01 |
| Navajo Priority #02 | X | | | Navajo Priority #02 |
| Non-Navajo Priority | | | | Non-Navajo Priority |
| Performance & Payment Bond | X | | X | Performance & Payment Bond |
| Affidavit of Non-Collusion | X | | X | Affidavit of Non-Collusion |
| Subcontractor List Form | X | | X | Subcontractor List Form |
| AIA General Contracotr Qualifications Statement A305 | X | | X | AIA General Contracotr Qualifications Statement A305 |

Indigenous Design Studio + Architecture, LLC

**Project Name and Location:**
Ganado Senior and Veterans Center
Ganado, Navajo Nation, Arizona

**Bid Name:** Ganado Senior and Veterans Center
**Bids Due:** Tuesday, September 12th, 2021, at 1:30 PM (MSDT)
**Bid Opening Date, Time & Location:** September 12th, 2021, at 2:00 PM (MSDT)
at Navajo Nation CPMD Office (Virtual / Teleconference)

## TABULATION OF BIDS

| NAME OF BIDDER | Base Bid | Deductive Alternate #1 Landscape & Irrigation Plan | Deductive Alternate #2 Drop-off Canopy Structure | Deductive Alternate #3 Trellis Structure | Deductive Alternate #4 Three (3) Shade Canopies-Cable Anchored to Exterior Walls | Deductive Alternate #5 Accordion Partition at the Arts and Crafts & Conference Room | Deductive Alternate #6 Operable Sliding Partition at the Multipurpose Room | Deductive Alternate #7 Nine (9) Solatube Skylights | Deductive Alternate #8 Commercial Kitchen Equipment | Deductive Alternate #9 Asphalt Pavement, Striping & Concrete Curbing of the North Parking Lot | Utilities Allowance | Bid Bond | Schedule & Values | Bid Form | Addendum # 01 | Addendum # 02 | Navajo Priority #1 | Navajo Priority #2 | Non-Navajo Priority | Performance & Payment Bond | Affidavit of Non-Collusion | Subcontractor List Form | AIA General Contractor Qualifications Statement A305 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. AEV3SConst | 4,454,191 | 79,108 | 71,343 | 30,843 | 34,468 | 13,516 | 28,253 | 14,277 | 67,807 | 105,269 | 50,000 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| 2. | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | | | | | | | | | | | |

**Certification:**
The undersigned herby certify that all bid received were sealed, opened, and publicly read.
On the above submitted date and time specified.

**Bids opened by:** Date: 10/12/2021
Andy Thomas, Project Manager
Navajo Nation Capital Project Management Department

**Acknowledged by:** Tamarah Begay Date: 10/12/2021
Tamarah Begay, Principal-In-Charge
Indigenous Design Studio + Architecture

**Acknowledged by:** Al. Waneka Date: 10/12/21
Alvin Waneka, Sr., Senior EDS
Business Regulatory Department
Division of Economic Development

Indigenous Design Studio + Architecture, LLC

**Project Name and Location:**
Ganado Senior and Veterans Center
Ganado, Navajo Nation, Arizona

**Bid Name:** Ganado Senior and Veterans Center
**Bids Due:** Tuesday, September 12th, 2021, at 1:30 PM (MSDT)
**Bid Opening Date, Time & Location:** September 12th, 2021, at 2:00 PM (MSDT)
at Navajo Nation CPMD Office (Virtual / Teleconference)

## TABULATION OF BIDS

| | NAME OF BIDDER | Base Bid | Deductive Alternate #1 Landscape & Irrigation Plan | Deductive Alternate #2 Drop-off Canopy Structure | Deductive Alternate #3 Trellis Structure | Deductive Alternate #4 Three (3) Shade Canopies-Cable Anchored to Exterior Walls | Deductive Alternate #5 Accordion Partition at the Arts and Crafts & Conference Room | Deductive Alternate #6 Operable Sliding Partition at the Multipurpose Room | Deductive Alternate #7 Nine (9) Solatube Skylights | Deductive Alternate #8 Commercial Kitchen Equipment | Deductive Alternate #9 Asphalt Pavement, Striping & Concrete Curbing of the North Parking Lot | Utilities Allowance | Bid Bond | Schedule & Values | Bid Form | Addendum # 01 | Addendum # 02 | Navajo Priority #1 | Navajo Priority #2 | Non-Navajo Priority | Performance & Payment Bond | Affidavit of Non-Collusion | Subcontractor List Form | AIA General Contractor Qualifications Statement A305 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Bennally/Westcliff | 4,466,238 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| 2. | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | | | | | | | | | | | | |

**Certification:**
The undersigned herby certify that all bid received were sealed, opened, and publicly read.
On the above submitted date and time specified.

**Bids opened by:** _____ Date: 10/12/2021
For Andy Thomas, Project Manager
Navajo Nation Capital Project Management Department

**Acknowledged by:** Tamarah Begay Date: 10/12/2021
Tamarah Begay, Principal-In-Charge
Indigenous Design Studio + Architecture

**Acknowledged by:** _____ Date: 10/12/21
Alvin Waneka, Sr., Senior EDS
Business Regulatory Department
Division of Economic Development

## NON-MANDATORY PRE-BID CONFERENCE SIGN-IN SHEET

| | | | |
|---|---|---|---|
| **Project:** | Ganado Senior & Veterans Center | **Date:** | Wednesday, September 22nd, 2021 @ 10:30am (MST) |
| **Location:** | Ganado Chapter, Ganado, Arizona | **Place/Room:** | Ganado Chapter Multipurpose Space |

| | Name | Title | Company | Phone | Email (Print Clearly) |
|---|---|---|---|---|---|
| 1 | NATHAN NERO | IDSTA Proj. Mgr. | ISD+A | 505-226-2565 | nnero@ids-a.com |
| 2 | Larry Tsosie | Proj. Supervisor | Ganado Chapter | 928-755-5920 | larrytsosie520@gmail.com |
| 3 | Jeff Engel | PM | WCA, LLC | 928-537-2920 | jeff.engel@whiteriverconstruction.com |
| 4 | LEONDO BENALLY | PM | BENALLY/WOODRUFF | 928 527-4138 | LEONDO@BENALLY-WOODRUFF.COM |
| 5 | Cal Thomason | Project Manager | LAM Corporation | 505-870-7042 | cal@lamcorporation.com |
| 6 | ORAN ARVISO | V.P. | ARVISO CONST. | 505-905-5566 | oran@arviso.com |
| 7 | Marcus Murphy | Project Manager | CRMD | 928 871 7714 | mmurphy@nndcd.org |
| 8 | Andy Thomas | Proj. Mgr. | CDMD/DCD | 928.871.6739 | andy_thomas@nndcd.org |
| 9 | Marcario Roanhorse | Ganado Chapter Pres. | Ganado Chapter | (928)225-7689 | mroanhorse@navajochapters.org |
| 10 | Esther Kirk | Office Asst | Ganado Chapt | 928 755 5920 | ganado@navajochapters.org |
| 11 | Leandersons | custodian | Ganado Chapter | 928 206 8588 | N/A |
| 12 | | | | | |
| 13 | | | | | |

DRAFT

**Ganado Senior Center and Veterans Facility**
Estimated Overall Project budget - OPTION 1
Updated: July 2021
Indigenous Design Studio + Architecture, LLC

| CONSTRUCTION COSTS | Item | Notes |
|---|---|---|
| $3,905,660.00 | Maximum Allowable Construction Costs (MACC) | 4,800 sf x $820/sf |
| **$3,905,660.00** | **CONSTRUCTION COST TOTAL** | |

| SOFT COSTS | Item | Notes |
|---|---|---|
| $390,566.00 | Furniture, Furnishings, and Equipment (FF&E) | Estimated @ 10% of Construction Cost |
| $57,600.00 | Technology | $12/sf |
| $30,000.00 | Special inspection and testing during construction | Estimated, code requirement, structural will outline the scope of testing during CDs |
| **$28,689.96** | **Navajo Nation Sales Tax @ 6% on soft cost items above** | |
| $390,566.00 | Owner's contingency | 10% of the MACC |
| $100,000.00 | Utilities (NTUA) contingency (water & electric) | Estimated |
| **$997,421.96** | **SOFT COST TOTAL** | |

| | | |
|---|---|---|
| $4,903,081.96 | **TOTAL ESTIMATED PROJECT COST** | |

| CONSTRUCTION COSTS | Item | Notes |
|---|---|---|
| $3,905,660.00 | Maximum Allowable Construction Costs (MACC) | 4,800 sf x $820/sf |
| **$3,905,660.00** | **CONSTRUCTION COST TOTAL** | |
| **DEDUCTIONS OPTIONS** | Item | |
| $700,000.00 | Delete Asphalt Pavment at Parking lot & Driveways | Concrete Curbing and ABC to remain |
| $500,000.00 | Delete Kitchen Equipment | Owner provided |
| $200,000.00 | Delete Landscaping | |
| $90,000.00 | Delete Main Entry Canopy Structure | |
| $50,000.00 | Delete outdoor shade structure | |
| $40,000.00 | Delete all exterior cable supported canopies (at entrances) | |
| $50,000.00 | Delete operable room partitions (2) | |
| **$1,630,000.00** | **TOTAL DEDUCTIONS** | |

| | | |
|---|---|---|
| $2,275,660.00 | **TOTAL ESTIMATED PROJECT COST W/ DEDUCTIONS** | No soft cost included; FF&E, Technology, Special Inspect., Owner & Utilities Contingencies. |

**Ganado Senior Center and Veterans Facility**
Estimated Overall Project budget - OPTION 2
Updated: July 2021
Indigenous Design Studio + Architecture, LLC

DRAFT

| CONSTRUCTION COSTS | Item | Notes |
|---|---|---|
| $3,572,250.00 | Maximum Allowable Construction Costs (MACC) | 4,800 sf x $750/sf |
| **$3,572,250.00** | **CONSTRUCTION COST TOTAL** | |

| SOFT COSTS | Item | Notes |
|---|---|---|
| $357,225.00 | Furniture, Furnishings, and Equipment (FF&E) | Estimated @ 10% of Construction Cost |
| $57,600.00 | Technology | $12/sf |
| $30,000.00 | Special inspection and testing during construction | Estimated, code requirement, structural will outline the scope of testing during CDs |
| **$26,689.50** | **Navajo Nation Sales Tax @ 6% on soft cost items above** | |
| $357,225.00 | Owner's contingency | 10% of the MACC |
| $100,000.00 | Utilities (NTUA) contingency (water & electric) | Estimated |
| **$928,739.50** | **SOFT COST TOTAL** | |

| | |
|---|---|
| $4,500,989.50 | **TOTAL ESTIMATED PROJECT COST** |

| CONSTRUCTION COSTS | Item | Notes |
|---|---|---|
| $3,572,250.00 | Maximum Allowable Construction Costs (MACC) | 4,800 sf x $750/sf |
| **$3,572,250.00** | **CONSTRUCTION COST TOTAL** | |
| **DEDUCTIONS OPTIONS** | Item | |
| $700,000.00 | Delete Asphalt Pavment at Parking lot & Driveways | Concrete Curbing and ABC to remain |
| $500,000.00 | Delete Kitchen Equipment | Owner provided |
| $200,000.00 | Delete Landscaping | |
| $90,000.00 | Delete Main Entry Canopy Structure | |
| $50,000.00 | Delete outdoor shade structure | |
| $40,000.00 | Delete all exterior cable supported canopies (at entrances) | |
| $50,000.00 | Delete operable room partitions (2) | |
| **$1,630,000.00** | **TOTAL DEDUCTIONS** | |

| | | |
|---|---|---|
| $1,942,250.00 | **TOTAL ESTIMATED PROJECT COST W/ DEDUCTIONS** | No soft cost included; FF&E, Technology, Special Inspect., Owner & Utilities Contingencies. |

# GANADO CHAPTER

Willie Tracey Jr., Chapter Manager
Cindy L. Smith, Administrative Assistant
Larry Tsosie, Project Supervisor
Esther Kirk, Office Assistant

Marcarlo Roanhorse, President
Walter Jones, Vice-President
Judy James, Secretary/Treasurer
Vince R. James, Council Delegate
Dickerson Smith, Grazing Official

Post Office Box 188 Ganado, Arizona 86505 Telephone: (928) 755-5920 Facsimile: (928) 755-5927 Email: ganado@navajochapters.org

Ganado Community Development Projects Meeting
August 27, 2021; 9:00 a.m.

**TELECONFERENCE INFO: Call-In: (701)802-5292; Access Code: 8038799#**
**Or (*please do not use both, avoid echos*)**
**Join ZOOM Online Meeting**
**https://us02web.zoom.us/j/89419714094?pwd=YloycDJJN1V6UTBDazI3MWJIcFdjZz09**
**Meeting ID: 894 1971 4094 - Passcode: dtLW5L**

## AGENDA

I. Call to Order / Welcome / Purpose

II. Community Development Projects Review

a. Ganado Livestock Sale Yard Lease Renewal
- Chapter Administration
- Navajo Land Department

b. Wastewater Lagoon Expansion – NTUA

c. Ganado Senior Citizens Center & Veterans Building
- Contractors Bid Advertisement
- ADOT Traffic Impact Study
- FY22 Operations & Maintenance
  - Dept of Long Term Care Support (aka NAAA)
  - Office of Veterans Affairs

d. RBDO Readvertisements
- Ganado Plaza
- Burnside Hotel / Restaurant

III. Plan of Action(s)

IV. Adjourn

EXHIBIT D

Q1

2021

AGC
THE CONSTRUCTION ASSOCIATION

# CONSTRUCTION INFLATION ALERT

The construction industry is currently experiencing an unprecedented mix of steeply rising materials prices, snarled supply chains, and staffing difficulties, combined with slumping demand that is keeping many contractors from passing on their added costs. This combination threatens to push some firms out of business and add to the industry's nearly double-digit unemployment rate.

The situation calls for immediate action by federal trade officials to end tariffs and quotas that are adding to price increases and supply shortages. Officials at all levels of government need to identify and remove or lessen any unnecessary or excessive impediments to the importation, domestic production, transport, and delivery of construction materials and products. Project owners need to recognize how much conditions have changed for projects begun or awarded in the early days of the pandemic or before and to consider providing greater flexibility and cost-sharing. Contractors should become even more vigilant about changes in materials costs and expected delivery dates and should communicate the information promptly to current and prospective clients.

This report is intended to provide all parties with better understanding of the current situation, the impact on construction firms and projects, its likely course in the next several months, and possible steps to mitigate the damage. The document will be revised to keep it timely as conditions change. Please send comments and feedback to AGC of America's chief economist, Ken Simonson, ken.simonson@agc.org.

www.agc.org

# Rising costs, flat project pricing

Figure 1 illustrates the threat to contractors from fast and steeply rising prices for materials, both for projects that have already been bid or started and for preparing -price or guaranteed-maximum-price bids. The red line shows the change since April 2020 in the price of all materials and services used in nonresidential construction, while the blue line measures the change—or lack of change—in what contractors say they would charge to erect a set of nonresidential buildings. This blue line, essentially a measure of bid prices, has remained virtually stable, rising only 0.5% from April 2020 to February 2021. In contrast, the red line, measuring the cost of contractors' purchases, has soared nearly 13% over the same 10 months.

**12.8%**

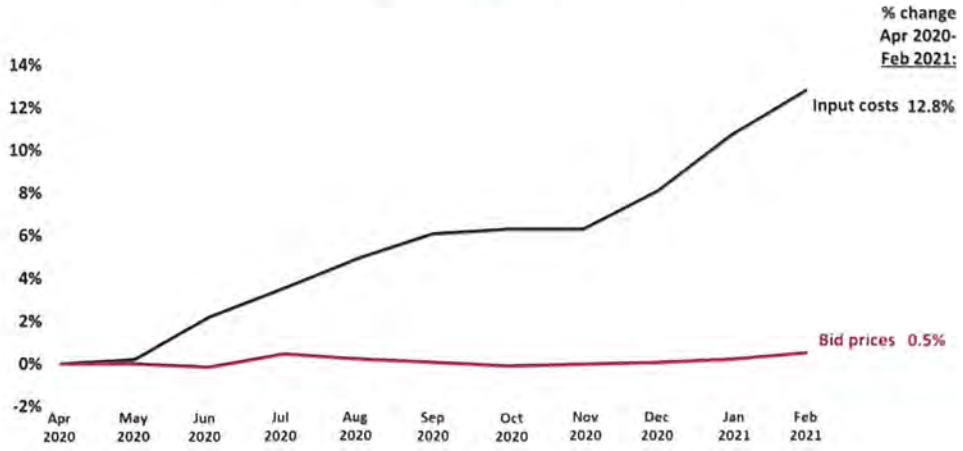
Input costs for general contractors have soared nearly 13% from April 2020 to February 2021

In other words, if a contractor or subcontractor submitted a fixed-price bid in April 2020 based on materials costs at that time but did not buy the materials until February 2021, its cost for the materials would have risen an average of nearly 13%. Given that materials often represent half or more of the cost of a contract, such an increase could easily wipe out the profit from a project and create severe financial hardship for the contractor.

**FIGURE 1**

**Change in construction input costs and bid prices**

April 2020-February 2021




Source: Bureau of Labor Statistics, producer price indexes (PPIs) for new nonresidential building construction (bid prices) and inputs to nonresidential construction (input costs), not seasonally adjusted

In fact, Figure 1 understates the severity of the current situation for many contractors, in three respects. First, the two lines are calculated from producer price indexes (PPIs) posted monthly by the Bureau of Labor Statistics (BLS). The most recent PPIs are based on prices BLS collected around February 11.

Since then, numerous materials have risen even more steeply in price. For instance, the national average retail price of on-highway diesel fuel climbed from $2.80 per gallon on February 8 to $3.19 on March 22, a rise of 14% in just six weeks, according to a weekly truckstop survey posted by the Energy Information Administration. Private price-tracking services have reported similarly steep increases for a variety of steel, lumber, and engineered wood products.

Second, contractors are incurring costs not captured by this measure. Delayed deliveries, higher expenditures for personal protective equipment and other sanitation measures, and shortages of employees or subcontractors' workers on jobsites due to coronavirus impacts are all driving up contractors' costs. In some cases, project completions are being delayed, meaning contractors receive needed payments later and may incur penalties for missed deadlines.

**114%**

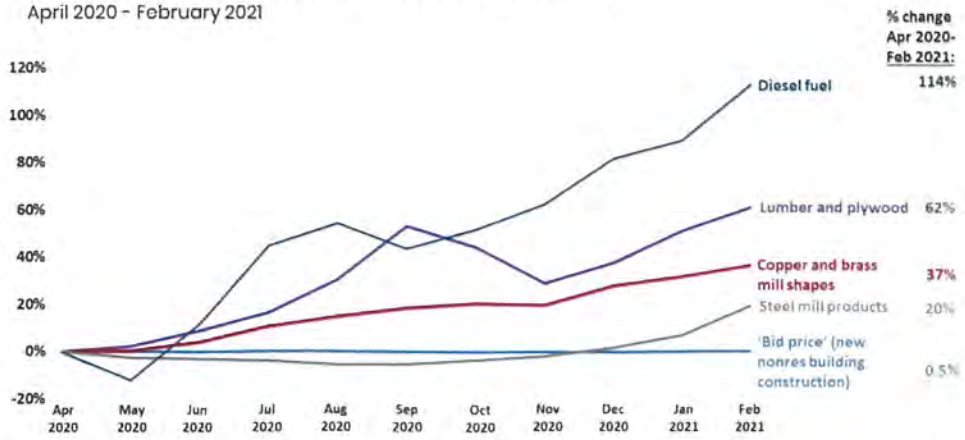
Diesel fuel PPI (Producer Price Index) has increased more than 114% between April 2020 to February 2021

Third, many projects or subcontractors' packages are heavily weighted toward materials that have risen much more in price than the overall PPI for inputs. As Figure 2 shows, the PPI for diesel fuel (at the fuel terminal, not retail) increased 114% between April 2020 and February 2021. The PPI for lumber and plywood jumped 62%. The index for copper and brass mill shapes climbed 37% and the PPI for steel mill products rose 20%.

**FIGURE 2**

**Price changes for construction and selected materials**

April 2020 - February 2021




Source: Bureau of Labor Statistics, producer price indexes (PPIs) for new nonresidential building construction (bid prices), diesel fuel, wood, and metal products, not seasonally adjusted

**270%**

Due to extreme weather conditions and general demand, PVC prices have increased over 270% from March 2020 to March 2021

Some broad categories of products have not gone up dramatically, but narrower classes of products within those categories have. For instance, the PPI for plastic construction products rose "only" 6% from March 2020 to January. But an AGC member reported on March 5 that for polyvinyl chloride (PVC) "used in electric utility work the price from [March 2020] to January 2021 had a general increase of 85%." Following extreme winter weather in Texas that knocked out production facilities and created a surge in demand for pipe to replace broken lines, "Now that increase is 270% from March 2020" to March 4, 2021.

In recent weeks, producers and distributors of many additional materials have announced large price increases. Some have already been imposed, while others are scheduled to take effect in the next few weeks.

For example, a leading producer of spray polyurethane products, used for building sealants and insulation, announced on March 12 that it would increase prices 12-15%, "effective for all new and existing orders shipping after April 12." On March 4 another supplier

notified customers of two price increases of 10% each, effective on April 5 and May 1. On March 10, a major building-products distributor announced 19 broad categories of price increases, ranging as high as a 20% increase effective on April 5 for "all wallboard and glass mat products."

In addition to sudden price increases, contractors are experiencing delivery times that have stretched or become completely unreliable. A producer of building mesh told customers on March 15, "Volatility in the costs associated with producing and shipping standard welded wire reinforcement has made it necessary for us to withdraw all previously issued price lists. The availability of SWWR has been negatively impacted by the shortage of raw materials; therefore, lead times previously quoted will require review."

# Not a short-term problem

Some might assume contractors will simply raise their prices to cover the added costs. But current conditions in the industry, as well as the record from previous episodes of escalating materials costs, suggest that the mismatch between materials costs and contractors' prices is likely to persist for an extended period.

The pandemic has caused current production and delivery of many materials to fall short of demand. Initially, a wide range of factories, mills, and fabrication facilities were shut down on their owners' initiative or because government orders deemed them to not be "essential." In some cases, contractors—particularly homebuilders—canceled orders because they no longer saw demand for construction. Once production facilities were allowed to re-open, many of them had trouble getting up to full capacity because their own workers or those of their suppliers and freight haulers may have been ill, quarantined, or required to care for family members at home.

Imported products and components also were subject to production and shipping shutdowns in the early months of the pandemic. This particularly affected many products from China and northern Italy, ranging from kitchen cabinets and appliances to tile flooring to elevators. In recent months, production has increased but containers, ships, port space, and trucking capacity have all experienced bottlenecks that have slowed deliveries.

Dramatic shifts in demand triggered, at least in part, by the pandemic have added to price pressures and shortages of goods. Housing starts have increased between 15% and 20% from year-earlier levels, creating huge additional demand for wood products and other items that are also used in nonresidential construction. Restaurants that added decks and railings for outdoor dining, along with offices and other buildings undergoing remodeling, added to demand for these products.

**15-20%**

Housing starting costs have increased between 15% to 20% from year-earlier levels

A more recent source of price increases and extended lead times was the extreme winter weather that struck Texas in February. Widespread, unanticipated power failures and unusual freezing temperatures shut down petrochemical plants that normally operate around the clock. Frozen pipes burst, adding to the damage. Repairing the damage and getting complex facilities back to full operating rates is likely to take several months in some cases.

Loss of this production affects plastic resins and other "building blocks" for a wide range of construction products, including: PVC pipe and other hard plastic products like plumbing fittings

and fixtures; vinyl siding and vapor barriers; binders or "glue" for the particles and layers of plywood and oriented strand board (OSB), and adhesives for backing/facing for wallboard. Various types of cardboard, paper, and plastic packaging, tapes, and fasteners, including ones for shipping and protecting construction materials, also depend on resins. The freeze also added to demand for plastic pipe and fittings to replace broken water lines, adding to the demand-supply imbalance.

Yet another cause of higher prices and tighter supply is trade policy actions imposed in 2018-2020. Tariffs or quotas on steel and aluminum from many countries, along with tariffs on hundreds of parts and materials from China, drove up the cost of many construction products and limited the number of suppliers, which has led to longer delivery times. Failure to renew a longstanding softwood lumber agreement with Canada has added to lumber costs.

Although the ostensible purpose of some of the trade actions was to protect and create jobs in the U.S. manufacturing sector, steel in particular, very little capacity has been added so far. Many manufacturers merely raised their prices in tandem with the imposition of tariffs.

## PAST EPISODES

**12.9%**

**In the past price inflation, materials costs experienced an annual growth rate increase of 12.9% in September 2008**

The construction industry has endured previous spells of rapid cost escalation. For instance, the PPI for goods used in new nonresidential construction accelerated from a 3.6% year-over-year rate of increase in January 2004 to 10.0% by October of that year and remained above a 5% annual rate for a total of 31 months, before subsiding to a 3.2% rate in October 2006.

Less than a year later, materials costs soared again, rising from a 1.6% annual growth rate in August 2007 to 12.9% in September 2008. The financial crisis that fall brought rates down rapidly but, again, only for about a year. The growth rate spiked from 0.4% year-over-year in December 2009 to 5.8% the following April and remained above or close to 5% until early 2012.

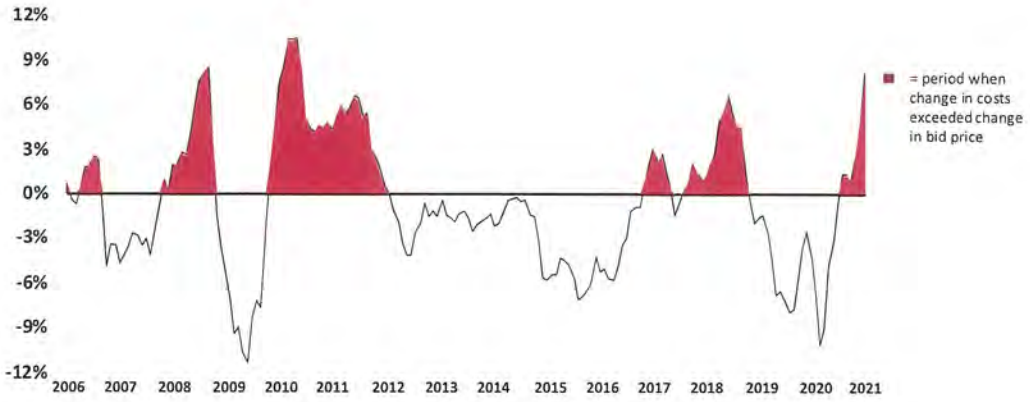
The most recent episode of high materials cost increases was from November 2018 through November 2019, when the year-over-year price change ranged from 4.9% to 9.2%.

While each of these price spikes eventually subsided, they caused enormous harm to contractors, who generally were not able to pass along the increases for an extended period. Not only were firms that had already signed contracts to deliver a project at a fixed price caught by the increases, but competition kept contractors from raising bids to match for a year or longer. A comparison of the year-over-year change in the PPI for materials with the PPIs for five types of new nonresidential buildings shows there were periods as long as 28 consecutive months with such price disparities. That is, contractors' bid prices rose less—or decreased—relative to the cost of the goods they purchased. For the most part, these months coincided with periods in which the value of nonresidential construction was stagnating or shrinking.

Figure 3 shows this comparison for one building type, new warehouse building construction. Periods in which the PPI for goods used in nonresidential construction exceeded the PPI for warehouse contractors' bid prices appear in red. The longer these intervals last and the higher the peak—i.e. the larger the gap between costs and bid prices—the more likely it is that some contractors will have financial difficulties. The current period already has one of the highest peaks.

## FIGURE 3

**Change in material costs vs. change in warehouse bid prices**, Jan. 2006 -Feb. 2021
Difference between year-over-year change in costs vs. bid prices




Source: Bureau of Labor Statistics, producer price indexes fogoods inputs to nonresidential construction (material costs) and new warehouse construction (bid prices)

# CURRENT DEMAND FOR CONSTRUCTION

The construction market currently is marked by a huge disparity. Residential construction spending—comprising new single- and multifamily structures along with additions and renovations to owner-occupied housing—jumped 21% from January 2020 to January 2021. Over the same 12 months, private nonresidential construction spending tumbled 10%.

Employment data show a similar story. Both residential and nonresidential construction employment plunged by 14-15% from February to April 2020. But over the next nine months, through January 2021, employment among residential building and specialty trade contractors rebounded to the same level as in February 2020, immediately before the pandemic struck. In contrast, in those nine months nonresidential building, specialty trade and heavy and civil engineering contractors added back little more than half of the employees they lost between February and April 2020.

**21%**

Residential construction spending jumped 21% from January 2020 to January 2021

AGC has surveyed its members repeatedly since March 2020 to gauge the impact of the pandemic on their businesses. Consistently, and as recently as March 2021, only about one-third of firms reported the volume of their business had matched or exceeded the levels of one year before, while an equal share predicted they would not return to that level for more than six months. The remainder either thought it would take 1-6 months to reach year-ago levels or didn't know. These results, like the spending and employment data, point to a large amount of downward pressure on contractors' ability to pass along material cost increases. (Full survey results are available here: https://www.agc.org/news/2021/03/11/march-2021-agc-coronavirus-survey-results.)



# What can contractors and owners do?

While contractors cannot unclog ports or rescind tariffs, they can provide project owners with timely and credible third-party information about changes in relevant material costs and supply-chain snarls that may impact the cost and completion time for a project that is underway or for which a bid has already been submitted.

Owners can authorize appropriate adjustments to design, completion date, and payments to accommodate or work around these impediments. Nobody welcomes a higher bill, but the alternative of having a contractor stuck with impossible costs or timing is likely to be worse for many owners.

For projects that have not been awarded or started, owners should start with realistic expectations about current costs and the likelihood of increases. They should provide potential bidders with accurate and complete design information to enable bidders to prepare bids that minimize the likelihood of unpleasant surprises for either party.

Owners and bidders may want to consider price-adjustment clauses that would protect both parties from unanticipated swings in materials prices. Such contract terms can enable the contractor to build in a smaller contingency to its bid, while providing the owner an opportunity to share in any savings from downward price movements (which are likely at some point, particularly for long-duration projects). The ConsensusDocs suite of contract documents (www.ConsensusDocs.org) is one source of industry-standard model language for such terms. The ConsensusDocs 200.1 Materials Price Escalation Addendum offers the only standard contract document that addresses price escalation.

The parties may also want to discuss the best timing for ordering materials and components. Buying items earlier than usual can provide protection against cost increases but it comes with the need to pay sooner for the items and potentially paying for storage, security against theft and damage, and the possibility of design changes that make early purchase unwise.



# Conclusion

The construction industry is in the midst of a period of exceptionally steep and fast-rising costs for a variety of materials, compounded by major supply-chain disruptions and stagnant or falling demand for projects—a combination that threatens the financial health of many contractors. No single or simple solution will resolve the situation, but there are steps that government officials, owners, and contractors can take to lessen the pain.

**No single or simple solution will resolve the situation, but there are steps that government officials, owners, and contractors can take to lessen the pain**

Federal trade policy officials can act immediately to end tariffs and quotas on imported products and materials. With many U.S. mills and factories already at capacity, bringing in more imports at competitive prices will cool the overheated price spiral and enable many users of products that are in short supply to avoid layoffs and shutdowns.

Officials at all levels of government should review all regulations, policies, and enforcement actions that may be unnecessarily driving up costs and slowing importation, domestic production, transport, and delivery of raw materials, components, and finished goods.

Owners need to recognize that significant adjustments are probably appropriate regarding the price or delivery date of projects that were awarded or commenced early in the pandemic or before, when conditions at suppliers were far different. For new and planned projects, owners should expect quite different pricing and may want to consider building in more flexibility regarding design, timing, or cost-sharing.

Contractors need, more than ever, to closely monitor costs and delivery schedules for materials and to communicate information with owners, both before submitting bids and throughout the construction process.

Materials prices do eventually reverse course. Owners and contractors alike will benefit when that happens. Until then, cooperation and communication can help reduce the damage.

**EXHIBIT: D**

# SIHASIN FUND POWERLINE AND CHAPTER CAPITAL PROJECTS
# EXPENDITURE PLAN

| NO. | CHAPTER | PROJECT DESCRIPTION | PROJECT TYPE (Pre-Design, Design, Design/Construction) | PROJECT DURATION | YEAR 1 FUNDING | YEAR 2 FUNDING | YEAR 3 FUNDING | MATCHING FUNDS (LEVERAGE) | SIHASIN FUNDS REQUESTED |
|---|---|---|---|---|---|---|---|---|---|
| 124 | Cornfields | Sunrise Low Water Crossing (Road) | Pre-Design | 26-36 months | $0.00 | $266,000.00 | $0.00 | $0.00 | $266,000.00 |
| 125 | Cornfields | Rural Address LRAC E-911 | Design/Construction | 12 months | $10,000.00 | $0.00 | $0.00 | $0.00 | $10,000.00 |
| 126 | Cornfields | Backhoe Purchase | Purchase | 6 months | $40,000.00 | $0.00 | $0.00 | $25,000.00 | $40,000.00 |
| 127 | Cornfields | Green House | Design/Construction | 12 months | $1,000.00 | $0.00 | $0.00 | $1,000.00 | $1,000.00 |
| 128 | Kindalichii | Chapter House Parking Lot | Desgin/Construction | 12-24 months | $94,731.32 | $0.00 | $0.00 | $0.00 | $94,731.32 |
| 129 | Jeddito | Backhoe Purchase | Major Equipment | 6 months | $107,064.66 | $0.00 | $0.00 | $0.00 | $107,064.66 |
| 130 | Jeddito | Bathroom Addition (Goldwater Loop) | Design/Construction | 18-24 months | $0.00 | $363,134.33 | $0.00 | $0.00 | $363,134.33 |
| 131 | Jeddito | Bathroom Addition (Upper Highland/ Sitting Rk) | Design/Construction | 18-24 months | $0.00 | $363,134.34 | $0.00 | $0.00 | $363,134.34 |
| 132 | Steamboat | Old Chapter Renovation (Stone Bldg.) | Construction | 8-12 months | $220,000.00 | $0.00 | $0.00 | $0.00 | $220,000.00 |
| 133 | Steamboat | Chapter Building Renovation | Design/Construction | 18-24 months | $0.00 | $0.00 | $400,000.00 | $50,000.00 | $400,000.00 |
| 134 | Steamboat | Chapter Warehouse | Design/Construction | 18-24 months | $0.00 | $213,333.33 | $0.00 | $25,000.00 | $213,333.33 |
| 135 | Ganado | Senior Center Building | Design/Construction | 18-24 months | $0.00 | $833,333.34 | $0.00 | $0.00 | $833,333.34 |
| 136 | Coppermine | Backhoe | Major Equipment | 4-6 months | $50,000.00 | $0.00 | $0.00 | $0.00 | $50,000.00 |
| 137 | Coppermine | Multipurpose Building | Pre-Design | 18-24 months | $0.00 | $0.00 | $200,000.00 | $0.00 | $200,000.00 |
| 138 | Coppermine | Western Navajo Pipeline, Fireflow, Storage Tank | Design/Construction | 18-24 months | $0.00 | $400,000.00 | $0.00 | $0.00 | $400,000.00 |
| 139 | Kaibeto | Kaibeto Design Infrastructure | Design/Construction | 18-24 months | $0.00 | $370,000.00 | $0.00 | $0.00 | $370,000.00 |
| 140 | Tonalea | Government Building | Construction | 8-12 months | $1,050,000.00 | $0.00 | $0.00 | $0.00 | $1,050,000.00 |
| 141 | Klagetoh | Head Start Project | Pre-Design | 8-12 months | $0.00 | $400,000.00 | $0.00 | $0.00 | $400,000.00 |
| 142 | Lupton | Basketall Court Development | Pre-Design | 12 months | $0.00 | $53,795.00 | $0.00 | $0.00 | $53,795.00 |
| 143 | Lupton | Cemetery | Pre-Design | 13 months | $0.00 | $0.00 | $100,000.00 | $0.00 | $100,000.00 |
| 144 | Lupton | Warehouse Renovation | Pre-Design | 14 months | $68,795.00 | $0.00 | $0.00 | $0.00 | $68,795.00 |



EXHIBIT E

**EXHIBIT F**

# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

August 5, 2020

Hon. Seth Damon
Office of the Speaker
Post Office Box 3390
Window Rock, AZ 86515

RE: CJY-57-20, *An Action Relating to Budget and Finance Committee, Resources and Development Committee and Naabik'íyáti' Committee and Navajo Nation Council; Allocating $1,444,032 from the Sihasin Fund to the Capital Projects Management Department on behalf of the Ganado Chapter; and approving and adopting the Sihasin Fund Ganado Senior Citizens and Veterans Center Expenditure Plan pursuant 12 N.N.C. §§ 2501 – 2508*

Dear Speaker Damon,

Pursuant to the authority vested in the Navajo Nation President, I am approving CJY-57-20.

This has been a long road for the Ganado Community but thanks to their perseverance and determination this project is nearing completion. Advocating for almost 10 years and closing the former center for the past four years, the Ganado Senior Citizens and Veterans will now have a place to call their own. We thank all those community members who were determined to see this project completed and we thank the 23rd and 24th Navajo Nation Council for their support of our elders and veterans. We made a commitment to the Ganado elders to support this project and working together with the Navajo Nation Council we share their joy for this project. Once again, our elders show us what it means to come together to support one another for the benefit of all.

Thank you to the 24th Navajo Nation Council for supporting the funds to complete the Ganado Senior and Veterans Center. We pray for the health and safety of our elders, veterans, and community members during this time and we trust there will be a time soon when we can all enjoy the community spirit at the new Ganado Senior and Veterans Center.

Sincerely,

Jonathan Nez, *President*
**THE NAVAJO NATION**

Myron Lizer, *Vice President*
**THE NAVAJO NATION**

RESOLUTION OF THE
NAVAJO NATION COUNCIL
24th NAVAJO NATION COUNCIL - SECOND YEAR, 2020

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, RESOURCES AND DEVELOPMENT COMMITTEE AND NAABIK'ÍYÁTI' COMMITTEE AND NAVAJO NATION COUNCIL; ALLOCATING $1,444,032 FROM THE SÍHASIN FUND TO THE CAPITAL PROJECTS MANAGEMENT DEPARTMENT ON BEHALF OF THE GANADO CHAPTER; AND APPROVING AND ADOPTING THE SÍHASIN FUND GANADO SENIOR CITIZENS AND VETERANS CENTER EXPENDITURE PLAN PURSUANT 12 N.N.C §§ 2501 - 2508

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).

B. The Naabik'íyáti' Committee of the Navajo Nation Council is empowered to review all proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

C. The Budget and Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. § 301 (B)(2).

D. The Resources and Development Committee of the Navajo Nation Council is empowered to provide oversight of the chapters of the Navajo Nation, as well as oversight over community development on the Navajo Nation. 2 N.N.C. §501 (C)(1).

E. The Navajo Nation Code provides the purpose of the Navajo Nation Síhasin Fund ("Síhasin Fund") is as follows:

§ 2502 Purpose

A. The purposes of this Fund are to provide financial support and/or financing for:

1. The planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid

waste management development, powerline projects, and transportation and communication systems, within the Navajo Nation; and

2. Education opportunities for members of the Navajo Nation.

B. For the Purpose in § 2502(A)(1), Fund expenditures for infrastructure shall not be limited by 12 NNC § 1310(F) or TCDCJY-77-99.

C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in part, and other weighted uses of the Fund, including loan financing from the Fund, for the purposes in § 2502(A)(1), shall be favored over direct funding in whole.

12 N.N.C. § 2502, as amended by CJA-03-18.

F. The Síhasin Fund provides that "Fund Principal" shall consist of all deposits made to the Síhasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Fund Income shall be deposited in and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted. 12 N.N.C. §§ 2504 and 2505 (C).

**SECTION TWO. FINDINGS**

A. The Ganado Chapter has been certified as a Local Governance Certified Chapter of the Navajo Nation under 26 N.N.C. §§ 101 et al.

B. As set forth in Ganado Chapter Resolution No. GAN-147-2019, attached as **Exhibit A**, the Navajo Occupational Safety and Health Administration (NOSHA) recommended the closure of the Ganado Senior Citizens Center, a residential double-wide trailer, due to multiple safety issues and building deficiencies; and on February 26, 2016, the Ganado Chapter closed down the Senior Citizens Center to protect the public.

C. The Ganado Chapter has been advocating for a Veterans Center since before 2012, see **Exhibit B**, and has worked to secure the necessary land withdrawal for the Senior Citizens and Veterans Center.

D. The Navajo Nation Council, through resolution CAP-35-18, approved and adopted the Síhasin Fund Powerline and Chapter

Projects Expenditure Plan including $833,333.00 for the Ganado Senior Citizen Center project at CAP-35-18, **Exhibit D**. Item No. 135. This request for $1,444,032.00 is in addition to the amount approved by CAP-35-18 attached as **Exhibit C**.

E. The Ganado Senior Citizen and Veterans Center Scope of Work and Cost Breakdown are attached as **Exhibit D**.

F. The "Section 164 Review Form" for the $1,444,032.00, including Office of Management and Budget (OMB), Office of the Controller and the Department of Justice reviews, along with project budget and process schedules, are attached as **Exhibit E**.

**SECTION THREE. ALLOCATION OF $1,444,032.00 TO THE CAPITAL PROJECTS MANAGEMENT DEPARTMENT ON BEHALF OF THE GANADO CHAPTER AND APPROVAL AND ADOPTION OF THE GANADO CHAPTER SENIOR CITIZEN AND VETERANS CENTER EXPENDITURE PLAN**

A. The Navajo Nation hereby allocates one million four hundred forty-four thousand thirty-two dollars ($1,444,032.00) from the Síhasin Fund to the Capital Projects Management Department within the Division of Community Development on behalf of the Ganado Chapter to plan, design and/or construct the Ganado Chapter Senior Citizen and Veterans Center as detailed in **Exhibits D and E**.

B. The Navajo Nation hereby approves and adopts the Síhasin Fund Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan as set forth in this resolution and in Exhibit D and E, attached and incorporated herein.

C. The Síhasin Funds allocated for the Síhasin Fund the Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 *et seq.*, as amended, using Síhasin Fund earnings for repayment and financing costs upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

**SECTION FOUR. APPROVAL AND ADOPTION OF EXPENDITURE PLAN ADMINISTRATION**

The Navajo Nation hereby approves administration of the Síhasin Fund Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan as follows:

A. The Navajo Nation Controller shall determine whether the source of the $1,444,032.00 allocations from the Síhasin Fund will be from Fund Principal or Fund Income or a combination of both;

B. The funds allocated to the Capital Projects Management Department on behalf of the Ganado Chapter for the planning, design and/or construction of the Ganado Chapter Senior Citizen and Veterans Center shall be released to the Capital Project Management Department within ninety (90) days following enactment of the Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan;

C. The funds allocated for the Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan shall be used solely to design, plan, and/or construct the Ganado Chapter Senior Citizen and Veterans Center described in **Exhibit D and E**. Any and all cost-saving shall be returned to the Síhasin Fund once the Ganado Chapter Senior Citizen and Veterans Center is completed;

D. If requested by the Ganado Chapter, the Capital Projects Management Department may transfer the funds, responsibility and accountability for the Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan to the Ganado Chapter pursuant to a Memorandum of Agreement or other form of grant agreement executed pursuant to 2 N.N.C. § 164 (B), as amended; and

E. The fund allocated for the Ganado Chapter Senior Citizen and Veterans Center shall not lapse on an annual basis pursuant to 12 N.N.C. § 820 (N), however, any funds not spent or encumbered within twenty-four (24) months of the later or the date funds are released to the Capital Projects Management Department or transferred to the Ganado Chapter shall revert to the Síhasin Fund principal, unless recommended otherwise by the Resources and Development Committee and approved by the Naabik'íyáti' Committee.

**SECTION FIVE. EFFECTIVE DATE**

The Síhasin Fund Ganado Chapter Senior Citizen and Veterans Center Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. § 2505.

**SECTION SIX. DIRECTIVES**

The Ganado Chapter and the Capital Projects Management Department shall report the status of the Ganado Chapter Senior Citizen and

Veterans Center to the Naabik'íyáti' Committee a least once per quarter after the initial disbursement of funds.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the 24th Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 22 in Favor, and 00 Opposed, on this 22nd day of July 2020.

Honorable Seth Damon, Speaker
24th Navajo Nation Council

July 27, 2020
DATE

Motion: Honorable Wilson Stewart, Jr.
Second: Honorable Rickie Nez

Speaker Seth Damon not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I, hereby, sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(10), on this 5th day of August, 2020.

Jonathan Nez, President
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this _____ day of _____, 2020 for the reason(s) expressed in the attached letter to the Speaker.

Jonathan Nez, President
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the 2010 Certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this _____ day of _____, 2020.

Jonathan Nez, President
Navajo Nation

*Office of Legislative Counsel*
*Phone: (928) 871-7166*
*Fax: (928) 871-7576*



*Hon. Seth Damon, Speaker*
*24th Navajo Nation Council*
*2019 - 2023*

# MEMORANDUM

To: Hon. Vince R. James, Member
Law and Order Committee
24th Navajo Nation Council

From: Luralene D. Tapahe
Luralene D. Tapahe, Principal Advocate
Office of Legislative Counsel

Date: March 29, 2022

Subject: **AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION, AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501 – §2508**

---

Per your request, the Office of Legislative Counsel has prepared the above-referenced proposed legislation and related summary sheet. Based on existing Navajo Nation law and other applicable laws, and upon review of all supporting documents regarding your request that were submitted to OLC, this legislation as drafted is legally sufficient. However, as with any action of government, this legislation may be subject to judicial review in the event of a legal challenge.

**Please review this legislation to make sure it is drafted to your satisfaction, and that all necessary and appropriate supporting documents have been provided and all attached Exhibits are correct.**

OLC has reviewed the appropriate standing committees' authorities to consider this legislation, based on the standing committees' powers and responsibilities set forth in Title 2 of the Navajo Nation Code. Based on its review, OLC has listed those committees in the title of this legislation. However, the Speaker may assign this legislation to any committee(s) other than those shown in the title, pursuant to his authority under 2 N.N.C. §164(A)(5).

If you find anything unacceptable, please let me know immediately and advise me of your desired changes. I can be reached at phone no. (928)871-**7166** or by email at: LuraleneTapahe@navajo-nsn.gov

Thank you for your cooperation.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION

LEGISLATION NO: _0063-22__ SPONSOR: Vince James

TITLE: An Act Relating to the Resources and Development, Health, Education and Human Services, Budget and Finance, and Naabik'íyáti' Committees, and to the Navajo Nation Council; Approving $1,600,000 Out of the Síhasin Fund to Cover the Funding Shortfall for the Ganado Chapter Senior & Veterans Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508

*Date posted*: __March 30, 2022 at 6:24PM

**Digital comments may be e-mailed to comments@navajo-nsn.gov**

**Written comments may be mailed to:**

**Executive Director**
**Office of Legislative Services**
**P.O. Box 3390**
**Window Rock, AZ 86515**
**(928) 871-7586**

**Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.**

**Please note**: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. *§374 et. seq.*

**THE NAVAJO NATION**
**LEGISLATIVE BRANCH**
**INTERNET PUBLIC REVIEW SUMMARY**

**LEGISLATION NO.:** 0063-22

**SPONSOR:** Honorable Vince R. James

**TITLE:** An Act Relating to the Resources and Development, Health, Education and Human Services, Budget and Finance, and Naabik'íyáti' Committees, and to the Navajo Nation Council; Approving $1,600,000 Out of the Síhasin Fund to Cover the Funding Shortfall for the Ganado Chapter Senior & Veterans Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508

**Posted:** March 30, 2022 at 6:24 PM

**5 DAY Comment Period Ended:** April 04, 2022

**Digital Comments received:**

| | |
|---|---|
| **Comments Supporting** | *None* |
| **Comments Opposing** | *None* |
| **Comments/Recommendations** | *None* |

**Legislative Tracking Secretary**
**Office of Legislative Services**

April 05, 2022; 8:37 AM
**Date/Time**

**RESOURCES AND DEVELOPMENT COMMITTEE**
**24th NAVAJO NATION COUNCIL**

**FOURTH YEAR 2022**

**COMMITTEE REPORT**

Mr. Speaker,

The **RESOURCES AND DEVELOPMENT COMMITTEE** to whom has been assigned:

> **LEGISLATION #0063-22:** AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C. § 2501 - § 2508. *Sponsor: Honorable Vince R. James*

Has had it under consideration and reports a **DO PASS** with no amendments.

And thereafter the legislation was referred to Health, Education, & Human Services Committee.

Respectfully submitted,

Rickie Nez, *Chairperson*
Resources and Development Committee of
the 24th Navajo Nation Council

Date: April 13, 2022 – Regular Meeting (Teleconference)
Location: Resources and Development Committee also called in via teleconference from their location within the boundary of the Navajo Nation.

**Main Motion:**

**M:** Mark A. Freeland **S:** Wilson C. Stewart, Jr. **V:** 5-0-1 (CNV)
**In Favor:** Thomas Walker, Jr.; Kee Allen Begay, Jr.; Herman M. Daniels; Mark A. Freeland; Wilson C. Stewart, Jr.
**Opposition:** None
**Excuse:** None
**Not Voting:** Rickie Nez, *Chairperson*

(NOTE: VOTE TALLY attached hereto)

**RESOURCES AND DEVELOPMENT COMMITTEE**
**24th NAVAJO NATION COUNCIL**

**FOURTH YEAR 2022**

**ROLL CALL**
**VOTE TALLY SHEET**

**LEGISLATION #0063-22:** AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SÍHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C. § 2501 - § 2508. *Sponsor: Honorable Vince R. James*

Date: April 13, 2022 – Regular Meeting (Teleconference)
Location: Resources and Development Committee also called in via teleconference from their location within the boundary of the Navajo Nation.

**Main Motion:**

**M:** Mark A. Freeland **S:** Wilson C. Stewart, Jr. **V:** 5-0-1 (CNV)
**In Favor:** Thomas Walker, Jr.; Kee Allen Begay, Jr.; Herman M. Daniels; Mark A. Freeland; Wilson C. Stewart, Jr.
**Opposition:** None
**Excuse:** None
**Not Voting:** Rickie Nez, *Chairperson*

Honorable Rickie, *Chairperson*
Resources and Development Committee

Rodney L. Tahe, *Legislative Advisor*
Office of Legislative Services

**THE NAVAJO NATION**
**LEGISLATIVE BRANCH**
**INTERNET PUBLIC REVIEW SUMMARY**

**LEGISLATION NO.:** 0063-22

**SPONSOR:** Honorable Vince R. James

**TITLE:** An Act Relating to the Resources and Development, Health, Education and Human Services, Budget and Finance, and Naabik'íyáti' Committees, and to the Navajo Nation Council; Approving $1,600,000 Out of the Síhasin Fund to Cover the Funding Shortfall for the Ganado Chapter Senior & Veterans Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508

**Posted:** March 30, 2022 at 6:24 PM

**5 DAY Comment Period Ended:** April 04, 2022

**Digital Comments received:**

| | |
|---|---|
| **Comments Supporting** | **1) Fort Defiance Agency Veterans' Organization** |
| **Comments Opposing** | ***None*** |
| **Comments/Recommendations** | ***None*** |

L. Johnson
**Legislative Tracking Secretary**
**Office of Legislative Services**

April 18, 2022; 7:32 PM
**Date/Time**

**FORT DEFIANCE AGENCY VETERANS' ORGANIZATION**
**AGENCY MEETING**
**P.O. Box 430**
**Window Rock, Arizona, 86515**
**Commander: Olin T. Kieyoomia Vice Commander: Cassandra Morgan Secretary: Lionel Allen**
**Navajo Nation Veterans Advisory Council Representative: Linda Roanhorse- Onesalt**

# RESOLUTION

## SUPPORTING LEGISLATION 0063-22: AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FIANACE AND NAABIK'IYATI' COMMITEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SIHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501-§2508

**FDAVO-04-22-04**

**WHEREAS:**

1. Pursuant to The Navajo Nation Veterans Act; Title II, Section One (E,I,M.N,O,R,T); SS 1032 (B-5,9,10), The Ft. Defiance Agency Veterans Organization is duly recognized by the Navajo Nation through resolution of the Veterans Agency; and
2. Pursuant to Navajo Nation Council Resolution CMA-25-71; The Navajo Veterans were recognized and a Navajo Nation Veterans Administration was established under the Executive Branch of the Navajo Nation Government- Office of the President and Vice President of the Navajo Nation; and
3. The Ft. Defiance Agency Veterans Organization is duly recognized by the Navajo Nation with a Plan of Operation to address the issues, concerns and advocate for all Navajo Veterans; and
4. The Ft. Defiance Agency Veterans Organization recognizes and acknowledges that it is entrusted to strive toward unification of all Navajo Nation Veterans and Local Leadership to provide leadership and coordinate with the needs of the veterans; and
5. In 1942, the Navajo Nation Council passed a resolution to aid and defend the United States against all subversive and assisted in the United States Selective Services Board to draft the eligible Navajo to serve in the United States Armed Services and reaffirm allegiance to the United States and expression of patriotism; and
6. The Ft. Defiance Agency Veterans Organization recognizes, understands and acknowledges the need for Ganado Veterans to have a Veterans Center; and
7. The Ft. Defiance Agency Veterans Organization recognizes, understands and acknowledges the need for the funding to continue in order to finish the projects and these projects cannot be delayed any further; and
8. The Ft. Defiance Agency Veterans Organization recognizes, understands and acknowledges a majority of Navajo Veterans are at the elderly age of 65+ and older and the senior center and veterans center will benefit the community and veterans of the Ganado Community; and

**FORT DEFIANCE AGENCY VETERANS' ORGANIZATION**
**AGENCY MEETING**
**P.O. Box 430**
**Window Rock, Arizona, 86515**
**Commander: Olin T. Kieyoomia Vice Commander: Cassandra Morgan Secretary: Lionel Allen**
**Navajo Nation Veterans Advisory Council Representative: Linda Roanhorse- Onesalt**

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Ft. Defiance Agency Veterans Supports LEGISLATION 0063-22: AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FIANACE AND NAABIK'IYATI' COMMITEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING $1,600,000 OUT OF THE SIHASIN FUND TO COVER THE FUNDING SHORTFALL FOR THE GANADO CHAPTER SENIOR & VETERANS CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C §2501-§2508
2. If approved, would allocate $1,600.00 from the Sihasin Fund to cover the shortfall in the funds for the construction of the Ganado Chapter Senior and Veterans Center Project; the shortfall is due to a significate increase in construction costs.
3. All (26) Chapter Veteran Organizations were educated, informed, provided afforded time to discuss and debate and implement resolutions of support and or opposition.

**C-E-R-T-I-F-I-C-A-T-I-O-N**

The Ft. Defiance Agency Veterans Hereby Certifies the Foregoing Resolution, that was Considered at a Regular Duly Called Meeting in Fort Defiance, Arizona (Navajo Nation) and that same was approved and passed with a vote of **44** in Favor; **00** Opposed and **00** Abstain on the **08th day of April 2022**.

**Motioned: Linda Roanhorse Onsalt, Oak Springs**
**Seconded: Steven Kee, Ganado**

**Olin T. Kieyoomia- Commander**
**Ft. Defiance Agency Veterans Organization**

**HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE**
**24TH NAVAJO NATION COUNCIL**

**FOURTH YEAR 2022**

**COMMITTEE REPORT**

Mr. Speaker,

The **HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE** to whom has been assigned:

**Legislation #0063-22:** An Act Relating to the Resources and Development, Health, Education and Human Services, Budget and Finance, and Naabik'íyáti' Committees, and to the Navajo Nation Council; Approving $1,600,000 Out of the Síhasin Fund to Cover the Funding Shortfall for the Ganado Chapter Senior & Veterans Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508

**Sponsor:** Council Delegate Vince R. James

Has had it under consideration and reports the same with the recommendation that it **DO PASS with no amendment.**

And thence is referred to the Budget and Finance Committee.

Respectfully submitted,

Daniel E. Tso, Chairman
Health, Education and Human Services Committee
24th Navajo Nation Council

Date: April 27, 2022

Main Motion:
Motion: Honorable Edison J. Wauneka
Second: Honorable Paul Begay, Jr.
Vote: 4-1-0

**HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE**
**Regular Meeting**
**April 27, 2022**

**Legislation #0063-22:** An Act Relating to the Resources and Development, Health, Education and Human Services, Budget and Finance, and Naabik'íyáti' Committees, and to the Navajo Nation Council; Approving $1,600,000 Out of the Síhasin Fund to Cover the Funding Shortfall for the Ganado Chapter Senior & Veterans Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508

**Sponsor:** Council Delegate Vince R. James

**VOTE TALLY SHEET:**

Main Motion:
Motion: Honorable Edison J. Wauneka
Second: Honorable Paul Begay, Jr.

Yea: Paul Begay Jr.; Carl R. Slater; Charlaine Tso; Edison J. Wauneka
Nay: Pernell Halona
Not Voting: Daniel E. Tso (Presiding Chairman)
Excused:
Absent:
Vote: 4-1-0

Daniel E. Tso, Chairman
Health, Education and Human Services Committee
24th Navajo Nation Council

Angelita Benally, Legislative Advisor
Health, Education and Human Services Committee
Office of Legislative Services