

GUIDELINES

DIVISION OF SANITATION FACILITIES CONSTRUCTION

Office of Environmental Health and Engineering
Navajo Area Indian Health Service
Window Rock, Arizona

CHAPTER 9--NECA

Section 3: Ordering Material, Supplies, and Services through NECA

Guideline No. 9.3 (03-XX)

December 9, 2002

Supersedes:

- G 79-2 Procedures for Ordering Emergency Materials through NECA
- G 81-2 Policy for NECA Purchase of Material, Supplies, and Services
Required for PL 86-121 Construction
- G 88-8 NECA Purchases of Material, Supplies, and Services
- G 9.3 (93-2) NECA Purchases of Material, Supplies and Services
- G 9.3 (96-2) Ordering Material, Supplies, and Services through NECA

Distribution: Standard List
General Manager, NECA
Purchasing Agent, NECA

BACKGROUND

The standard P.L. 86-121 project Planning Agreement has the following clauses concerning the NECA purchase of services required for planning sanitation facilities projects on the Navajo Reservation. "...the Navajo Engineering & Construction Authority (NECA) may provide some of the required services [This includes exploration for water, soil evaluation, preliminary archaeological, topographical, and Right-of-Way surveying/acquisition, and other planning functions]...The IHS will make a monetary contribution to NECA for the actual costs to perform the services."

The standard P.L. 86-121 project Memorandum of Agreement has the following clause concerning NECA purchase of materials and supplies on sanitation facility projects: ".....to procure and install materials, equipment and supplies as authorized by the Indian Health Service, necessary for the proper installation of facilities within....." Authorized materials, equipment, and supplies are defined as being utilized on P.L. 86-121 projects, not office equipment or supplies. Also, construction material procurement and some construction related activities are provided through P.L. 93-638 contracts.

These statements allow the IHS to utilize the NECA procurement system to purchase materials, supplies, and services to conduct planning and construct P.L. 86-121 projects. This guideline is written to provide guidance on how procurement through NECA should occur.

Authorization for the procurement of materials, equipment, and supplies for P.L. 86-121 projects is given by the IHS signature on the Memorandum of Agreement.

The use of NECA for purchase of materials, supplies, and services is a benefit to the P.L. 86-121 program and must be used with common sense to provide proper documentation and prevent abuse of the system.

All NECA purchases will comply with the Navajo Nation Procurement Code and the Navajo Nation Business Opportunity Act.

The NECA also has some basic procedures titled, "NECA Purchasing Procedures--PHS Accounts", that must be followed. Basically these procedures require:

1. Obtaining competition by soliciting competitive bids;
2. Issuing specific purchase orders for each item purchased from an individual vendor;
3. Insuring that the items or services ordered have been received and are acceptable before payment is made.
4. Compliance with applicable Indian preference policies.

A copy of the NECA purchasing procedures is attached. These procedures require a signature of the Division Director of Sanitation Facilities Construction or his authorized agent, defined as follows:

<u>Description</u>	<u>Authorized Agent</u>
a. Materials, Construction and Services (non A/E), estimated at less than \$25,000.	Project Manager
b. Materials, Construction and Services (non A/E) estimated at greater than \$25,000.	District Engineer
c. A/E Services	Director, DSFC

Below is a list of non-stock items that would "normally" be purchased through the NECA; which approvals are specifically required; which methods should be used to accomplish the purchase; and whether the NECA Job Cost Accounting data must be provided by the Project Engineer.

Table 1

<u>ITEMS</u>	<u>JCA DATA REQ'D</u>	<u>METHODS OF PROCUREMENT</u>
Power Line Extension (Non-NTUA) Pre-Cast Manholes Radio Telemetry Steel Water Storage Tanks Endangered Species Studies Water Well Services	Yes	These are project specific and are initiated by the Project Engineer. The request for purchase including specifications and a cost estimate would be routed from Project Engineer, <u>approved by the District Engineer</u> and on to NECA. The NECA solicits quotes makes selection, and issues purchase order.
<u>Professional Services:</u> Land Surveying/ROW Aerial Photogrammetry Engineering Feasibility Studies	Yes	Project specific items with request along with a scope of work and a cost estimate initiated by Project Engineer, <u>approved by the District Engineer</u> , and forwarded to the NECA.
<u>Specialty Construction Contracts:</u> Water Well Drilling Well Drilling Lease Agreement Road Boring Horizontal Directional Drilling	Yes	A formal sealed bid process is utilized. Initiated by the Project Engineer, <u>approved by the District Engineer</u> , and forwarded to the NECA. Package shall include complete specifications, suitable for formal advertising, or lease agreement and the <u>District Engineer</u> will be responsible for the technical adequacy of the specifications or lease agreement. The NECA advertises, conducts bid opening, and awards bid to apparent low bidder. Final bid award is made after the IHS ensures technical adequacy of apparent low bidder's submittals.
<u>Long Term Professional Service Contracts:</u> Hydrogeologic Service Archaeological Surveys Endangered Species Surveys	Yes	Request for type of professional service required with suggested scope of work and term of contract forwarded to the NECA by the Director of the Division of Sanitation Facilities Construction.
<u>Emergencies:</u>		Request for purchase should first be submitted to the Division Director, DSFC, who will determine the use of Government or NECA procurement.

ORDERING MATERIALS and RETURNING MATERIALS

There are four methods of ordering materials through NECA.

1. A Form 53 (hard copy) faxed or mailed to the NECA warehouse for 5 items or less, or for non-stock items where a brief description of the items will be adequate information for the Warehouse to order them.
2. A Form 53 (Electronic Remote Entry System) for materials listed in the database that are normally stocked at the warehouse.
3. IHS provides specifications and cost estimate; NECA advertises or solicits quotes and issues a purchase order, i.e., radio telemetry, Clayton valves etc.
4. IHS provides specifications and cost estimates; NECA advertises for bids and issues a construction contract, lease agreement, or professional services contract, i.e., well drilling, surveying, archaeological surveys, etc.

There will be occasions when individuals will want to return excess materials to the NECA Warehouse. Whenever materials are to be returned to the NECA warehouse, a Form 53 listing all the materials to be returned must be prepared indicating a credit is requested. If there are items to be returned that are not listed on the NECA warehouse database, a hard copy of the Form 53 must be prepared. **These documents must be submitted to the NECA warehouse prior to returning any materials.** The NECA warehouse will then arrange for the return of any materials normally stocked. Special order or obsolete items will be handled on an individual case basis. The NECA warehouse will not become a bone-yard for obsolete materials. If materials are returned to the warehouse without the necessary documentation, they will be put into inventory and no credit will be issued. The project indicated on the Form 53 will be credited for all materials accepted by the NECA warehouse at the current database unit price regardless of where or how it was purchased.

Occasionally it will be necessary to issue backorders when the warehouse inventory is temporarily depleted. If it becomes necessary to cancel material orders that are on backorder, fax a memorandum to the NECA warehouse indicating the part number, description, quantity to be cancelled and the order number. Acknowledgement of the cancellation will be noted on the faxed memorandum and a copy will be returned to the field.

All orders through the NECA Warehouse are required to have pay items, cost codes, and cost types indicated or they will be returned to the originator. The project numbers used on the orders will be identical to the project numbers used on the job cost accounting printouts.

BID ABSTRACTS

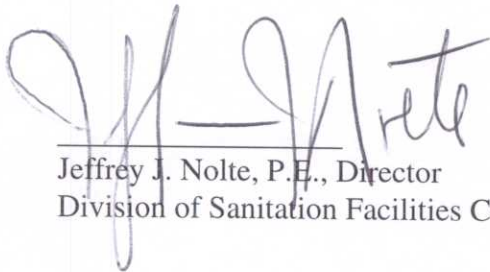
It is important that we continue to develop historical cost data for our procurement, so it is required that a "bid abstract" be prepared for all items procured through the NECA, using the format of the attached abstract. The NECA Purchasing Agent will be required to prepare the abstract, and the Project Engineer should provide an estimate of cost to the NECA. The abstract will be distributed as follows:

1. One copy to each Field Office
2. One copy to each District Engineer
3. One copy to the Division Director, DSFC

PURCHASES BY NECA PROJECT FOREMAN

There are instances when it may be necessary for the NECA crew foremen to purchase miscellaneous hand tools and supplies to be used on P.L. 86-121 projects. This is due to the isolated nature of most crew locations from the NECA Warehouse in Shiprock. Field purchase order books are issued to the foremen and superintendents for these purchases. The P.O. books can be used for purchases not to exceed \$200 as indicated on the purchase order. Any purchase in excess of \$200 must be approved by the Controller; Contract Superintendent; General Superintendent; Construction Manager or the General Manager. All material orders for P.L. 86-121 projects require the Project Engineer/Manager's approval in advance.

APPROVED BY:



Jeffrey J. Nolte, P.E., Director
Division of Sanitation Facilities Construction

Attachments: A - NECA Purchasing Procedures - PHS Accounts
B - Bid Abstract Form
C - Example Memo From Project Engineer