FISCAL YEAR 2020

ANNUAL FUNDING AGREEMENT

CONTRACT NO. A18AV00262
Forestry Management Program
(Mature Definite for 01/01/18 to 12/31/22)

BY AND BETWEEN

THE NAVAJO NATION

AND

THE UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Navajo Regional Office

FOR THE PERIOD

January 1, 2020 through December 31, 2020

(Pub. L. 93-638, as amended)
ANNUAL FUNDING AGREEMENT

This Annual Funding Agreement ("AFA") is entered into between the Navajo Nation and the United States Department of the Interior ("DOI"), pursuant to the agreement between the Navajo Nation and DOI for Forestry Management Program, pursuant to Title I of the Indian Self-Determination and Education Assistance Act ("ISDEAA"), Pub. L. 93-638, as amended (hereinafter referred to as the Contract).

A. PROGRAM, FUNCTIONS, SERVICES AND ACTIVITIES

1. The Navajo Nation agrees to administer and perform those portions of the Bureau of Indian Affairs' ("BIA") Forestry Management Program identified in the Scope of Work, attached hereto as Attachment A and incorporated herein by reference, in accordance with its own laws and policies and the terms, provisions, and conditions of the Contract and this AFA and any attachments hereto. The program standards, including any provisions of Federal Regulations waived by the Secretary, are identified in Section B of the Contract.

2. The Navajo Nation agrees that any services or assistance provided to Indian beneficiaries under the Contract and this AFA shall be provided in a fair and uniform manner subject to applicable laws and regulations.

3. The Navajo Nation shall obtain from the BIA all such funds and other resources made available for the benefit of the tribe and Indian beneficiaries for all programs to be operated and services to be delivered by the Navajo Nation through the Contract and this AFA on behalf of the DOI, except for "Trust" and executive functions of the BIA considered non-contractible under the ISDEAA, as amended.

4. The BIA shall transfer to the Navajo Nation all such funds and other resources available for the benefit of the Tribe and Indian beneficiaries through the Contract in the most expeditious manner authorized by law, and shall provide technical support and
assistance at the request of the Navajo Nation or as provided herein, in the most expeditious manner authorized by law.

5. The Navajo Nation shall exercise full discretion over the funds made available subject only to the provisions of the Contract, this AFA, tribal law, and Federal law.

6. The Navajo Nation has identified a need for program and/or office space. DOI shall undertake reasonable efforts to make such program and/or office space available to the Navajo Nation, together with such maintenance services as may be necessary for that program and/or office space. When not available and tribal buildings are used, DOI will enter into a lease pursuant to Section 105 (f) (1) of the ISDEAA, as amended and 25 CFR Part 900, Subpart H.

B. PROGRAM BUDGET AND FUNDING

1. Proposed Budget. Attached hereto as Attachment B is the proposed program budget for the services to be provided under this AFA. The amount reflects the Fiscal Year 2019 recurring enacted amount allocated. If Congressional appropriation for full year funding is not available at the start of the FY 2020, as an initial budget, the Navajo Nation may enter in the FMIS a full year budget at the actual, total amount of recurring funds distributed for FY 2019 that is based on Congressional appropriation. If the Navajo Nation is proposing to allocate costs between two 638 programs, the percentage breakdown of such cost allocation shall be reflected in the budget.

2. Funding Distribution and Final Budget. Subject to the availability of Congressional appropriation, DOI shall distribute direct program funding for Fiscal Year 2020 exclusive of any Central Office or Regional Office shares, direct contract support cost and indirect cost funds, in one lump sum payment to the Navajo Nation in accordance with Section B(6) of the Contract. The final program budget shall reflect the actual funds distributed. Funding award(s) such as one-time funding which require separate expenditure and narrative reports shall be specified in the contract modification (SF-30) by BIA. A separate
account Financial Management Information System (FMIS Business Unit) shall be assigned by the Navajo Nation accordingly. Full payment shall be made by all-electronic payment through an Automated Standard Application for Payment (ASAP), an information system developed by the Financial Management Services and the Federal Reserve Bank of Richmond. The Navajo Nation must have: (1) an active registration in ASAP by completing the Participation Request Form; (2) an active Data Universal Number System (DUNS); and an active registration in the System for Award Management (SAM).

3. DOI acknowledges that the amount allocated does not fully fund the contracted activities and to the extent that any shortfalls exist in funding (direct, contract support cost or otherwise,) owed to the Navajo Nation, the DOI and BIA shall make a good faith effort, subject to applicable law, to identify funds or to obtain an appropriation to address this shortfall. DOI will report such shortfalls to Congress and simultaneously provide the Navajo Nation with such report.

4. Nothing in this AFA shall be deemed a waiver of any right the Navajo Nation may have under the Act to receive 100% of its funding, direct, contract support cost or otherwise, as determined under Section 106 of the ISDEAA, as amended.

5. **BUDGET REVISION.** The Navajo Nation shall request prior approval from the Awarding Official for a budget revision that will increase the amount of indirect cost for the Contract.

All other budget revisions do not require BIA approval, including carryover funds attributable to operation of the program.

6. **DEOBLIGATON OF FUNDS.**
   a. Funding under this AFA may be reduced only according to the provisions of Section 106(b) of the ISDEAA, as amended.
b. In the event that funding of this AFA is reduced because of Congressional action, the Navajo Nation retains the option to rescind the Contract, renegotiate the attached Scope of Work, or suspend performance under the Contract consistent with Section B(5) of the Contract.

C. TRIBAL SHARES

In addition to the amount referred to in Paragraph B of this AFA, DOI shall pay a sum to be negotiated representing Central Office and Regional Office shares associated with this AFA. Such shares do not reflect Central Office or Regional Office shares which the Navajo Nation has included in other Fiscal Year 2020 Pub. L. 93-638, as amended, Contracts.

D. CONTRACT SUPPORT COST (CSC) FUNDS

The Navajo Nation shall be entitled to CSC funds to the full extent specified in Section 106 (a)(2) of the ISDEAA, as amended and related provisions. It is understood by the parties that full CSC funds may not be initially available to the Navajo Nation. However, upon becoming available by Congressional appropriation or through the identification of appropriate budget savings from CSC funds line items, the Navajo Nation shall participate in the distribution of those shortfall funds. If, during the term of this AFA, it is not possible to pay all CSC funds, DOI shall make a good faith effort, subject to applicable law, to identify funds or to obtain an appropriation to address this shortfall.

1. Direct Contract Support Cost (DCSC) Funds

In addition to the amount in paragraphs D and D(2) of this AFA, the Navajo Nation shall receive DCSC funds pursuant to Section 106(a)(2) of the ISDEAA, as amended. The amount of DCSC funds are subject to negotiation between the Navajo Nation and DOI. To the extent that DOI does not receive sufficient appropriations to fully fund the amount of DCSC funds that would otherwise be available under Section 106(a)(2) of the ISDEAA, as amended, DOI shall report such shortfall to Congress pursuant to the requirements of Section 106(c)(2) of the ISDEAA, as amended, and simultaneously provide the Navajo Nation with such report. DOI shall pay any shortfalls in DCSC funds, and to the extent such shortfall funds are appropriated by Congress. In no event does the Navajo Nation waive its right to recover 100% of the DCSC funds negotiated under this AFA.
2. **Indirect Costs (IDC) Funds**

In addition to the amount identified in paragraphs B, C, and D(1) of this AFA, the Navajo Nation shall receive IDC funds applicable to the period covered by this AFA as determined pursuant to the applicable Indirect Cost Negotiation Agreement, entered into between the Navajo Nation and its federal cognizant agent. The award of IDC funds will be made through a Supplemental Annual Funding Agreement entered into between the Navajo Nation and BIA-NRO. To the extent that DOI does not receive sufficient appropriations to fully fund the amount of IDC funds that would otherwise be available under Section 106(a) (2) of the ISDEEA, as amended, DOI shall report such shortfall to Congress pursuant to the requirements of Section 106(c) (2) of the ISDEEA, as amended, and simultaneously provide the Navajo Nation with such report. DOI shall pay any shortfalls in IDC funds when, and to the extent, such shortfall funds are appropriated by Congress. In no event does the Navajo Nation waive its right to recover 100% of the IDC funds associated with this AFA.

3. **Contract Support Cost (CSC) Calculation**

In addition to the entitlement of the CSC funds, the Navajo Nation shall submit a budget report that provides estimated CSC funds needs of both DCSC funds and IDC funds which will be submitted to BIA NRO by July 10 of the AFA year. The budget report shall be used internally at BIA NRO for the sole purpose of supporting the DOI’s Contract Support Cost and pay cost allocations and shortfall reports to Congress. The budget report shall be prepared at or equivalent to Level of Detail 6 on the Navajo Nation’s FMIS.

**E. PRE-AWARD COSTS**

If this AFA covers the initial year of a contract, any cost the Navajo Nation incurs with respect to the performance of the Contract and this AFA before the award date or effective date of this AFA may be paid with funding under this AFA to the extent (a) that such costs are otherwise reasonable, allowable and allocable to performance of the attached Scope of Work, and (b) that the Navajo Nation informed BIA of costs consistent with Section 106 (a) (6) of the ISDEEA, as amended.
F. **APPLICABLE LAW**

In the performance of the Contract and this AFA, the Navajo Nation agrees to comply with all expressly applicable Federal laws, regulations and executive orders, including the Drug-Free Workplace Act of 1988 (Pub. L. 100-690), and all applicable Navajo Nation laws, regulations and executive orders. The parties shall renegotiate and modify the language of this AFA to conform to any applicable federal and Navajo Nation laws, regulations or executive orders which are passed after the effective date of this AFA.

The BIA shall inform the Navajo Nation, in writing, of all existing, newly enacted or amended federal laws, regulations and executive orders it believes apply to this AFA within 60 days of execution of this AFA or within 60 days of adoption. The Navajo Nation retains the right to renegotiate the attached Scope of Work to reflect any amended federal laws, regulations, and executive orders and shall not be held responsible under this AFA for compliance with such laws, regulations, and executive orders until the BIA has provided the notice described above.

G. **MANAGEMENT SYSTEMS**

The Navajo Nation shall maintain management systems consistent with requirements of the ISDEAA, as amended and 25 CFR Part 900. The BIA has on file the most recent versions of the following Navajo Nation management system Policies and Procedures:

ii. Navajo Nation Employees Travel Policies and Procedures Handbook
iii. Navajo Nation Purchase Card Policies and Procedures
iv. Property Management Policy.
v. Navajo Nation Procurement Rules and Regulations

The Navajo Nation agrees to provide copies of the following management system Policies and Procedures Manuals, within 90 days of final adoption by the responsible oversight committees:

i. Recordkeeping Policies
ii. Finance and Accounting Policies

1. **Accounting/Financial System**

The Navajo Nation shall maintain a fiscal accounting system which will provide accurate, current and complete information with respect to the Contract and this AFA in
such a manner as to facilitate audit and review of the financial records consistent with federal statutory and regulatory requirements.

The Navajo Nation shall obtain certification by a licensed accountant that the bookkeeping and accounting procedures that the tribal organization presently uses meets the standards of 25 CFR Part 900, Subpart F.

2. **Personnel Management**

   Unless otherwise stated in this AFA or through an approved and executed Intergovernmental Personnel Agreement, all personnel employed by the Navajo Nation to carry out the Contract and this AFA shall meet the qualifications set forth by the Navajo Nation Department of Personnel Management and all personnel employed by the Navajo Nation under this AFA will adhere to applicable Navajo Nation Personnel Policies Manual including sick leave, holidays, pay schedules and pay tables.

3. **Records System**

   a. The Navajo Nation agrees to keep such records as required pursuant to Section B(7) of the Contract, as amended; to make reports required by Section 5(a)(1) and (2) of the ISDEAA, as amended; and to make such information and reports available to the Indian beneficiaries as required by Section 5(c) of the ISDEAA, as amended. The Navajo Nation shall maintain a recordkeeping system that will allow for the maintenance of records to facilitate retrocession or reassumption of the Contract. Such records system, at a minimum, shall:

      1) Provide for the creation, maintenance and safeguarding of records of lasting value, including those involving individual rights.
      2) Provide for orderly retirement of records used or created under the Contract. Such records shall be returned to the BIA for disposition according to the General Records Schedules and the BIA Records Control Schedule.
b. When the Navajo Nation operates a system of records to accomplish a BIA function, the Navajo Nation shall comply with the Navajo Nation Privacy and Access to Information Act, 2 N.N.C. Section 81, et seq.

c. The Navajo Nation shall make all reports and information concerning the Contract available to the Indian beneficiaries that the Contract serves or represents pursuant to the provisions of the Navajo Nation Privacy and Access to Information Act, 2 N.N.C. Section 81 et seq.

H. EXAMINATION OF RECORDS.
1. The Navajo Nation agrees to maintain books, records, documents and other evidence pertaining to the costs and expenses of the Contract (hereinafter collectively called “records”) to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs of whatever nature for which expenditure, payment or reimbursement is claimed under the provisions of the Contract or this AFA.

2. The Navajo Nation agrees to make available at the Navajo Nation offices at all reasonable times during the time period of the Contract and this AFA below any of the records, with reasonable advance notice, for inspection, audit or reproduction by any authorized representative of the Comptroller General or the Secretary of Interior as required under the ISDEAA, as amended, and applicable federal regulations.

3. Pursuant to Section (B)(7) of the Contract, the Navajo Nation shall preserve and make available its records related to the Contract and this AFA:

   a. Until the expiration of the earlier of three years from the date of final payment under the Contract or the time period for the particular records specified in 25 CFR Chapter V, Part 900, Subpart F, Subsection 900.41 (a-d), whichever expires earlier.
b. If the Contract is completely or partially cancelled, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

4. Records which relate to appeals under Section (B)(12), Disputes, of the Contract; litigation or the settlement of claims arising out of the performance of the Contract; or costs and expenses of the Contract as to which written exception has been taken by the Awarding Official or any of his duly authorized representatives, shall be retained until such appeals, litigation, claims or exceptions have been disposed of.

5. Except for documentary evidence required under paragraph 4 above, the Navajo Nation may in fulfillment of its obligation to retain records substitute photographs, microphotographs, or other authentic reproductions or such records, after the expiration of 2 years following the last day of the month of payment or reimbursement to the Navajo Nation of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Awarding Official with the concurrence of the Comptroller General or his duly authorized representative.

6. The provisions of this paragraph (H) shall be applicable to each subcontract hereunder which is on a cost; cost-plus-a-fixed-fee, time-and-material or labor-hour basis.

7. The Navajo Nation further agrees to include in each of its sub-contracts hereunder a provision to the effect that the sub-Contractor agrees that the Comptroller General, the Secretary of the Interior, the Awarding Official, and the Tribal Contracting Officer, or any of their duly authorized representatives, shall, until the expiration of 3 years after final payment under the subcontract, or of the time periods for the particular records specified in 25 CFR Chapter V, Part 900, Subpart F, Subsection 900.41 (a-d) whichever expires earlier, have access to and the right to examine any directly pertinent books, documents, papers, and records of such sub-Contractor, involving transactions related to the sub-Contract. The term "sub-Contract" as used in this paragraph only, excludes:
i. Purchase orders not exceeding $10,000; and
ii. Sub-Contracts or purchase orders for public utility services at rates
    established for uniform applicability to the general public.

I. **NAVAJO PREFERENCE**

Consistent with Section 7 (b) of the ISDEAA, as amended, the Navajo Nation Business
Opportunity Act, 5 N.N.C. Section 201, *et seq.*, and the Navajo Preference in Employment Act,
15 N.N.C. Section 601, *et seq.*, shall apply to the administration of the Contract and this AFA.

J. **FIDUCIARY TRUST RECORDS MANAGEMENT**

1. The Tribe agrees to:
   a. Preserve, protect and manage all fiduciary trust records, created and/or
      maintained by the Tribe during its management of trust programs in its Title I
      agreements. (A fiduciary trust record is any document that reflects the existence of
      an Indian trust asset and was used in the management of an Indian trust asset. An
      Indian trust asset refers to lands, natural resources, monies or other assets held in
      trust at a particular time by the Federal Government for a Tribe, Alaska natives or
      that are or were at a particular time restricted against alienation, for individual
      Indians. Management includes actions that influence, affect, govern, or control an
      Indian trust asset. The following are examples **not** considered to be fiduciary trust
      records: general administrative, personnel or travel records; education records; law
      enforcement records; health records; law making unrelated to Indian trust assets;
      tribal council resolutions and laws unrelated to Indian trust assets; and tribal
      elections).
   b. Make available to the Secretary all fiduciary trust records maintained by the
      Tribe, provided that the Secretary gives reasonable oral or written advance request
      to the Tribe. Access shall include visual inspection and at the expense of the
      Secretary the production of copies (as agreed upon between the parties) and shall
      not include the removal of the records without tribal approval; and
c. Store and permanently retain all inactive fiduciary trust records at the Tribe or allow such records to be removed and stored at the American Indian Records Repository (AIRR) in Lenexa, Kansas at no cost to the Tribe.

2. The Secretary agrees to:
   a. Allow the Tribe to determine what records it creates to implement the trust program assumed under its Title I agreement, except that the Tribe must create and maintain the information required by the statute and regulation. No additional record keeping requirements are required by this agreement.

b. Store all inactive fiduciary trust records at AIRR at no cost to the Tribe when the Tribe no longer wishes to keep the records. Further, the Tribe will retain legal custody and determine access to these records and such records shall not be treated as Federal records for purposes of chapter 5 of Title 5 of the United States Code unless expressly agreed to by the Tribe;

c. Create and manage a single tribal storage and retrieval system for all fiduciary trust records stored at AIRR (No records will be accepted at AIRR until such retrieval system exists); and

d. Provide file equipment and technical assistance for Tribes in preserving, protecting and managing its fiduciary trust records from available funds appropriated for this purpose.

K. REPORTS

During the course of this AFA, the Navajo Nation shall submit the following reports:

1. **Annual Federal Financial Report** (FFR). Notwithstanding the process set forth in Paragraph O(1) of the AFA, the Navajo Nation’s Office of the Controller agrees to submit an original annual FFR to the Awarding Official through the designated Awarding Official’s Technical Representative (AOTR) with a courtesy copy to the Contracts and Grants Section/OMB. This report shall be supported by FMIS Job Status Inquiry for use to
monitor expenditures incurred during annual operations. The annual FFR shall be submitted within 90 days after closure of each contract funding period.

On contracts that have approved term end dates extended, the Navajo Nation agrees to, in addition to annual FFR referenced above, submit a final FFR within 90 days after the closure of the contract ending date as extended and shall also be supported by FMIS Job Status Inquiry.

2. **Annual Narrative Report.** Pursuant to the process set forth in Paragraph O(1) of the AFA, the Navajo Nation agrees to submit the brief Annual Narrative Report and include status report on each one-time funded project for this contract to the Awarding Official through the designated AOTR within 90 days after closure of each contract funding period. The report shall describe the conduct of the program and activities in:

   a. Accomplishments of the program objectives;
   b. Description of any significant problems encountered; and
   c. Any changes required to the Contract and/or Scope of Work.

The Navajo Nation is a Mature Contractor and Section 5(a) (2) of the ISDEAA only requires a brief annual narrative report.

On contracts that have approved term end dates extended, the Navajo Nation agrees to, in addition to annual narrative report referenced above, submit a final Narrative Report within 90 days after the closure of the contract ending date as extended.

3. **GPRA Reports.** The Navajo Nation agrees to submit applicable and relevant data and information concerning the operation of the attached Scope of Work to the Awarding Official through the AOTR necessary for the BIA to meet the requirements of the Government Performance Results Act (“GPRA”) of 1993 (Pub. L. 103-62). The data and information, including format and due date(s), that the Navajo Nation will submit shall be negotiated between the parties and delineated in Attachment C, which is attached hereto and incorporated herein by reference. The BIA shall simultaneously provide the Navajo Nation with copies of any GPRA reports it submits to the Central Office or the Office of Management and Budget.
4. **Additional Reports.** Any additional reports required by law to be submitted beyond the reports identified in (1) through (3) above shall be negotiated between the parties and delineated in Attachment D, which is attached hereto and incorporated herein by reference.

5. The AOTR will notify the Navajo Nation of delinquent report(s) and suggest the due date that the BIA must receive the delinquent report(s). If the Navajo Nation fails to submit the overdue report(s) by the established deadline, the AOTR will notify the Awarding Official and recommend corrective action. A copy of such recommendation shall be provided to the Navajo Nation. The Awarding Official will then take appropriate action, consistent with the ISDEAA, as amended, to ensure that the Navajo Nation complies with the terms and conditions of the Contract and this AFA.

6. When the Navajo Nation submits the Annual FFR and Narrative Report, the BIA NRO shall review and respond to the reports no later than May 30 after the closure of the contract funding period.

**L. SINGLE AUDIT REQUIREMENTS**


2. If the Navajo Nation fails to comply with the requirements for obtaining audits according to the Single Audit Act Amendment of 1996, the BIA may take actions as appropriate given the circumstances and as allowed pursuant to Subpart F §200.505 of the OMB Uniform Guidance.

3. In addition to the submission requirements of the Single Audit Act Amendment of 1996 and to meet the requirements of ISDEAA, as amended, the Navajo Nation shall send
   a. Single Audit Report with Form SF-SAC (Data Collection Form) to:
b. Single Audit Report to the Clearinghouse for each funding agency wherein the Report includes a finding related to the funding awarded to the Navajo Nation by such agency.

c. Two copies of the Single Audit Report to:
   Division of Internal Evaluation and Assessment
   U.S. Department of the Interior
   12220 Sunrise Valley Drive
   Reston, VA 20191
   (709) 390-6357

M. TECHNICAL ASSISTANCE AND MONITORING

1. The BIA will expeditiously provide special technical assistance to assist the Navajo Nation to successfully operate the program under the Contract and this AFA. When the Navajo Nation submits a written request for technical assistance through the process identified in Paragraph O(1), BIA will provide the Navajo Nation with written acknowledgement of the request within 15 business days of receipt. The acknowledgement shall include plan of action and a time frame for completion of the technical assistance.

2. The Awarding Official and designated AOTR will monitor the submission of annual reports required under the Contract and the ISDEAA, as amended.

3. The BIA will provide monitoring services to ensure compliance with the terms of the Contract and this AFA. The BIA shall provide thirty (30) days advance written notice which shall include date of the monitoring, information on process and instrument that will be used. This monitoring function will include:

   a. One annual evaluation (Monitoring Session) by the Awarding Official and AOTR. This visit shall be scheduled in advance as prescribed in Section B(7)(C) of the Contract. During the Monitoring Session, the Awarding Official, and the designated AOTR will review records, speak to the Program Director and staff, and
inspect premises to determine compliance with the Contract and this AFA.

b. Additional visits beyond the Monitoring Session shall only occur when requested by the Navajo Nation or when the Awarding Official determines that there is reasonable cause to believe that grounds for re-assumption of the Contract, suspension of contract payments, or that other serious Contract performance deficiency may exist in accordance with Section B(7)(C) of the Contract. Such visits shall be scheduled in advance as prescribed in Section B(7)(C) of the Contract.

c. The Monitoring Session shall be conducted pursuant to the Memorandum of Understanding entered into by the Navajo Nation and BIA NRO.

N. FEDERAL TORT CLAIMS ACT

1. For purposes of Federal Tort Claims Act coverage, the Navajo Nation and its employees are deemed to be employees of the Federal government while performing work under this contract. This status is not changed by the source of the funds used by the Navajo Nation to pay the employee’s salary and benefits unless the employee receives additional compensation for performing covered services from anyone other than the Navajo Nation.

2. In accordance with the requirement in 25 CFR Part 900, Subpart M, subsection 900.188(a), the Navajo Nation agrees to designate an individual to serve as tort claims liaison with the Federal government. The designated tort claims liaison shall provide the assistance specified in 25 CFR, Part 900, and Subpart M. subsection 900.188(c).

O. CONTRACT ADMINISTRATION

Requests or inquiries on significant and non-routine matters, such as technical assistance, issues that require action or decision by BIA NRO, and those raising legal issues, regarding this AFA shall be submitted in writing as follows. Communication and correspondence on items of a routine nature is not subject to this Section.
1. **Navajo Nation Contract Administration.** All correspondences by the Navajo Nation’s Pub. L. 93-638 BIA contracted programs’ concerning the Contract and this AFA shall be routed as follows for submission to the BIA NRO by:

   Navajo Nation Contracting Officer
   Contracts and Grants Section - Office of Management and Budget
   Post Office Box 646
   Window Rock, Arizona 86515
   Telephone No.: (928) 871-6470
   Fax No. (928) 871-6567

2. **Federal Contract Administration.** All correspondences by BIA NRO concerning the Contract and this AFA shall be routed as follows for submission to the Navajo Nation by:

   Indian Self-Determination Specialist/Awarding Official
   Bureau of Indian Affairs – Navajo Regional Office
   P.O. Box 1060
   Gallup, New Mexico 87305
   Telephone No.: (505) 863-8228, 8311, 8401, 8522 and 8524
   Fax No. (505) 863-8461

3. All requests or inquiries covered under this section shall be done in accordance with the process identified in (1) and (2) above. Any documents associated with requests or inquiries not in compliance with this Section shall be immediately returned to the other party without further action.

**P. SEVERABILITY**

The provisions of this AFA are severable. If any provision of this AFA is determined to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the remainder of the AFA.

**Q. EFFECT ON EXISTING RIGHTS**

1. Nothing in this AFA shall be construed as affecting, modifying, diminishing, waiving or otherwise impairing the sovereign immunity from suit enjoyed by the Navajo Nation.
2. Nothing in this AFA shall be construed as waiving any rights of the parties under applicable federal law.

3. Nothing in this AFA shall be construed as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Navajo Nation, Navajo people, or Indian beneficiaries.

R. **EFFECTIVE DATE**

This AFA shall be effective for the term (mature definite) of the funding year, January 1, 2020 through December 31, 2020 or until such time that a successor AFA is executed or a new contract is issued with a new contract term identified. However, this does not alter the obligation of the Navajo Nation to provide DOI with a proposed AFA for the following calendar year, or a notice of intent not to renew, at least 90 days prior to end of the current calendar year.

[Signature]

Jonathan Nez, President

THE NAVAJO NATION

[Signature]

Secretary, Department of the Interior,
Or designee

UNITED STATES OF AMERICA

08.28.19

Date
FORESTRY MANAGEMENT PROGRAM
CONTRACT NO. A18AV00262
CALENDAR YEAR 2020-21
STATEMENT OF WORK

NARRATIVE STATEMENT

1. INTRODUCTION

The Navajo Nation's forest and woodlands are trust resources that belong to the Navajo people. Although the functions in this Statement of Work (SOW) are contractible, the Bureau of Indian Affairs (BIA) cannot delegate or absolve its self or its trust responsibilities. This would appear to be a dilemma; however, because the decision authority over planning, management, and utilization of forest and woodland resources is primarily performed by the Forestry Management Program, it remains a two-party process. The need to continue the Indian Self Determination and Education Assistance Act, as amended (P.L. 93-638) Contract is as follows:

- The Navajo Nation continues to control its destiny.
- The Navajo Nation continues the stewardship of its forest and woodland resources.
- The Navajo people receive better service and are more directly involved, the Navajo forest and woodlands receive better management.
- Valuable financial and technical resources are better utilized under the continuance of this contract.

Policy Statements:

25 C.F.R. Part 900

- Section 900.3.a(2)
  - Congress has established a meaningful Indian self-determination policy which will permit an orderly transition from the Federal domination of programs.

- Section 900.3.a(5)
  - Congress has further declared that each provision of the Act and each provision of contracts entered into thereunder shall be liberally construed for the benefit of the tribes.

- Section 900.3.a(6)
  - Congress has declared that one of the primary goals of the 1994 amendments to the Act was to minimize the reporting requirements to tribal contractors and to eliminate excessive and burdensome reporting

ATTACHMENT "A"
requirements. Reporting requirements over and above the annual audit report are to be negotiated.

- **Section 900.3.b(1)**
  - The Secretary shall make best efforts to remove any obstacles which might hinder Indian tribes and tribal organizations including obstacles that hinder tribal autonomy and flexibility to administer such programs.

- **Section 900.3.b(3)**
  - The Secretary shall afford Indian tribes and tribal organizations the flexibility, information, and discretion necessary to design contractible programs to meet the needs of their communities.

- **Section 900.3.b(11)**
  - The Secretary’s commitment to Indian self-determination requires that these regulations be liberally construed for the benefit of Indian tribes and tribal organizations.

II. COMPONENTS CONTRACTED

In Calendar Year 2020, these functions to be performed by the Navajo Forestry Department (NFD) can be planned and measured. Based on funding availability and internal reprioritization of contracted functions, these components will be adhered to. This Statement of Work will be reviewed for the purposes of addressing any unanticipated changes and adjustment of priorities.

The specific program areas to be contracted, subject to requested and agreed upon funding, are as follows:

- **Forestry Tribal Priority Allocation-Land-Management**
  - _Forest Management Project Planning_
  - _Timber Sales_
  - _Smokey Bear Education_
  - _Enforcement_
  - _Forest Product Permitting_

- **Non-Recurring Activities**
  - _Woodland Management_
  - _Forest Development_
  - _Forest Management Inventory and Planning_
  - _Forest Marketing (Timber Harvest Initiative)_

B. SPECIFICS

As the contract application covers areas where measures, production, and progress are identified, the content of this section associates specific objectives, of areas to be contracted. The BIA, Navajo Region Branch-Chief Forester (Forestry) continues as the Awarding Official's Technical Representative (AOTR) and the BIA-Timber-Sale/Forest-Development Forester designated as the

ATTACHMENT “A”
Subordinate Awarding Official's Technical Representative (SAOTR) for these contracted functions.

NFD will conduct all contracted activities pursuant to available funding in implementing the applicable standards that are identified in the Model 108 Contract at section B(3). Additionally, the NFD will provide year-end accomplishment reports, after the Calendar Year, for each funded forest land management component activity, accomplishments associated with forestry program TPA, approved supplemental funding project assistance proposals and completion of associated SOWs.

NFD will also provide other required reports and appropriate information as negotiated for reporting under GPRA (Attachment C) and Program Specific Reporting (Attachment D).

I. FOREST LAND MANAGEMENT Forestry Tribal Priority Allocation Activities

A) FOREST MANAGEMENT PROJECT PLANNING

Forest management project planning will be conducted in accordance with the National Environmental Policy Act (NEPA), Program Standards of the Model 108 Contract.

B) TIMBER SALES

Timber sale development and harvesting of timber trees will be conducted in accordance with the Program Standards of the Model 108 Contract. Some specifics are as follows, but not limited to:

1) Timber Sale Preparation

- Silvicultural prescription will be developed by the NFD and submitted to a certified Silviculturist for review and approval.

- Marking guidelines will be developed based from silvicultural prescriptions that are approved by a certified Silviculturist.

- Boundaries will be marked and recorded with a Global Positioning System (GPS) and information stored in a Geographic Information System (GIS) database. Information stored in the GIS will be made available upon request to the BIA & others as appropriate.

- Harvest trees will be selected based on silvicultural prescriptions approved by a certified Silviculturist.

- Field records and maps will be made available upon request to the BIA & others as appropriate.

- A statistically valid timber cruise design and will be developed in cooperation with the BIA Timber Sale Officer in developing a statistically valid timber cruise design and will be approved and processed through a regional cruise program.

ATTACHMENT “A”
• Cruise volume results will be utilized for timber sale appraisal and the Forest Officer Report (FOR).

• The NFD and the BIA Timber Sale Officer will prepare all aspects of the Timber Sale Contract and the BIA Timber Sale Officer will provide technical assistance, upon request.

• Field records and maps will be made available upon request to the BIA & other as appropriate.

2) Timber Sale Administration

• The NFD will work with the and the BIA Timber Sale Officer will in the administer ration of the timber sale activities and implementation of the timber sale contract.

• The NFD and the BIA Timber Sale Officer will work with the BIA Timber Sale Officer in the official approval of timber for harvest and acceptance of timber sale activities completed under the terms of the sale contract.

• The NFD and the BIA Timber Sale Officer will work together d during harvesting operations; the BIA and the NFD will work together in conducting inspections to ensure compliance with timber sale contract specifications.

C) SMOKEY BEAR EDUCATION

• Smokey Bear education activities will be conducted at area schools, fairs, and chapters and upon request.

D) ENFORCEMENT

• Enforcement of timber trespass will be conducted in accordance with the Program-standards of the Model 108 Contract and Navajo Nation Code, Title 17 and 53 IAM 7-H, Forest Trespass.

E) FOREST PRODUCT PERMITTING

• Forest product permitting (including the sale of timber) will be conducted in accordance with the Navajo Nation Forest and Woodland Regulations, Timber Use Policy Statement, 53 IAM 3-H, Contract Sales of Forest Products and 53 IAM 4-H, Permit Sales of Forest Products, Program Standards of the Model 108 Contract.

II.F) Non-Recurring Activities (One-time Funding)

A. WOODLAND MANAGEMENT

Woodland Management will be conducted in accordance with the Project Proposal Scope of Work Program Standards of the Model 108 Contract. Some specifics are as follows, but not limited to:

ATTACHMENT “A”
Approved woodland management plans will be implemented.

- The NFD TUPS will be utilized in addressing may work with the general public, utility companies, etc. in evaluating requests concerning hazard tree concerns.

- The NFD will work with BIA Woodland Forester to implement woodland projects.

- The NFD will submit woodland management supplemental funding proposals, accompanied with a SOW for review, consideration and approval by the BIA. Project proposals and SOWs submitted should be associated with the following:
  - Treatments on tribal woodlands in accordance with Best Management Practices to the standards and objectives set forth in the Navajo Nation’s Ten-Year Forest Management Plan or an approved Woodland Management Plan;
  - Density and stand composition manipulation to improve resilience to catastrophic wildfire and climatic variability;
  - Improved water yield and water quality;
  - Control of invasive woodland species and the preservation of culturally-important plants and animals.

**FOREST DEVELOPMENT (CFSI and Forestation)**

Forest Development will be conducted in accordance with the Project Proposal Scope of Work. Some specifics are as follows, but not limited to:

- The NFD will work with the BIA Forest Development Forester to implement forest development reforestation projects.

- The Navajo Nation’s Ten-Year Forest Management Plan will be utilized in lieu of a Forest Development Plan.

- The NFD will submit project proposals, accompanied with a SOW for review, consideration and approval by the BIA. Project proposals and SOWs submitted should be associated with the following:
  - The NFD may submit forest development supplemental funding project assistance proposals, accompanied with a SOW to the BIA for review, consideration and approval. The project proposals and SOWs submitted should be associated with the following treatments on tribal forest lands:
    - The development, maintenance, and enhancement of Indian forest land in a perpetually productive state in accordance with principles of sustained yield and with the standards and objectives set forth in the Navajo Nation’s Ten-Year Forest Management Plan by providing effective management and protection through the application of sound silvicultural and economic principles to;

**ATTACHMENT “A”**
The harvesting of forest products, forestation, timber stand improvement, and other forestry practices.

**FOREST MANAGEMENT INVENTORY AND PLANNING**

Forest Management Inventory and Planning will be conducted in accordance with the Project Proposal Scope of Work. Some specifics are as follows, but not limited to:

- Forest Stand Inventory will be performed in accordance with the Compartment Examinations Handbook on a project-by-project basis.

- The NFD will work with the BIA-Forrester to implement forest management inventory and planning projects.

- Timber Analysis Report (TAR) will be developed with BIA Branch of Forest Resource Planning (BOFRP) utilizing measurement data compiled and entered into the BOFRP forest inventory database.

- The NFD will submit project proposals, accompanied with a SOW for review, consideration and approval by the BIA. Project proposals and SOWs submitted should be associated with the following:

  - Geospatial analysis, measurement of trees and other forest vegetation;
  - Determination of tree growth;
  - Documentation of long-term trends including those induced by climate change;
  - Calculation of the allowable annual cut (annual sustained yield harvest);
  - Development of environmental compliance documents, forest management plans and forest histories.

**FOREST MARKETING (Timber Harvest Initiative)**

Forest Management Inventory and Planning will be conducted in accordance with the Project Proposal Scope of Work. Some specifics are as follows, but not limited to:

Forest Marketing will be conducted through the advertising and of sales of forest products, in accordance with the Program Standards of the Model-108 Contract. Some specifics are as follows, but not limited to:

- The NFD will operate a portable sawmill to produce lumber to showcase forest products from timber sales and permit sales.
- The NFD will operate a woodlot to produce firewood for sale to the public.

ATTACHMENT “A”
• The NFD will continue to support develop forest products entrepreneurial opportunities and may seek technical assistance from the BIA as needed.

- The NFD will implement forest marketing projects and seek technical assistance from the BIA as needed.

• The NFD may submit forest marketing supplemental funding project assistance proposals, accompanied with a SOW for review, consideration and approval by the BIA. Project proposals and SOWs submitted Forest Marketing should be associated with the following forest marketing projects on tribal forest lands:

  o Preparation and offering of timber for advertisement, sale, and administration; marketing and development opportunities related to Indian forest products, consultation and advice to tribes, tribal and Indian enterprises on maximization of return on forest products;

  o Developmental training of Indian and Alaska Native personnel in forest land-based enterprises and marketing.
FORESTRY MANAGEMENT PROGRAM

CONTRACT NO. A18AV00262

CALENDAR YEAR 2020

STATEMENT OF WORK

NARRATIVE STATEMENT

I. INTRODUCTION

The Navajo Nation's forest and woodlands are trust resources that belong to the Navajo people. Although the functions in this Statement of Work (SOW) are contractible, the Bureau of Indian Affairs (BIA) cannot delegate or absolve its self or its trust responsibilities. The decision authority over planning, management, and utilization of forest and woodland resources is primarily performed by the Forestry Management Program, it remains a two-party process. The need to continue the Indian Self Determination and Education Assistance Act, as amended (P.L. 93-638) Contract is as follows:

- The Navajo Nation continues to control its destiny.
- The Navajo Nation continues the stewardship of its forest and woodland resources.
- The Navajo people receive better service and are more directly involved, the Navajo forest and woodlands receive better management.

Policy Statements:

25 C.F.R. Part 900

- Section 900.3.a(2)
  - Congress has established a meaningful Indian self-determination policy which will permit an orderly transition from the Federal domination of programs.

- Section 900.3.a(5)
  - Congress has further declared that each provision of the Act and each provision of contracts entered into thereunder shall be liberally construed for the benefit of the tribes.

- Section 900.3.a(6)
  - Congress has declared that one of the primary goals of the 1994 amendments to the Act was to minimize the reporting requirements to tribal contractors and to eliminate excessive and burdensome reporting requirements. Reporting requirements over and above the annual audit report are to be negotiated.

ATTACHMENT “A”
Section 900.3.b(1)
  o The Secretary shall make best efforts to remove any obstacles which might hinder Indian tribes and tribal organizations including obstacles that hinder tribal autonomy and flexibility to administer such programs.

Section 900.3.b(3)
  o The Secretary shall afford Indian tribes and tribal organizations the flexibility, information, and discretion necessary to design contractible programs to meet the needs of their communities.

Section 900.3.b(11)
  o The Secretary’s commitment to Indian self-determination requires that these regulations be liberally construed for the benefit of Indian tribes and tribal organizations.

II. COMPONENTS CONTRACTED

In Calendar Year 2020, the functions to be performed by the Navajo Forestry Department (NFD) can be planned and measured. Based on funding availability and internal reprioritization of contracted functions, these components will be adhered to. This Statement of Work will be reviewed for the purposes of addressing any unanticipated changes and adjustment of priorities.

The specific program areas to be contracted, subject to requested and agreed upon funding, are as follows:

- Forestry Tribal Priority Allocation
  o Forest Management Project Planning
  o Timber Sales
  o Smokey Bear Education
  o Enforcement
  o Forest Product Permitting

- Non-Recurring Activities
  o Woodland Management
  o Forest Development
  o Forest Management Inventory and Planning
  o Forest Marketing (Timber Harvest Initiative)

B. SPECIFICS

As the contract application covers areas where measures, production, and progress are identified, the content of this section associates specific objectives, of areas to be contracted. The BIA, Navajo Region Forester (Forestry) continues as the Awarding Official’s Technical Representative (AOTR) for these contracted functions.

NFD will conduct all contracted activities pursuant to available funding in implementing standards that are identified in the Model 108 Contract at section B(3). Additionally, the NFD

ATTACHMENT “A”
will provide year-end accomplishment reports, after the Calendar Year, for each funded forest land management activity.

NFD will also provide other required reports and appropriate information for reporting under GPRA (Attachment C) and Program Specific Reporting (Attachment D).

I. Forestry Tribal Priority Allocation Activities

A) FOREST MANAGEMENT PROJECT PLANNING

Forest management project planning will be conducted in accordance with the National Environmental Policy Act [NEPA].

B) TIMBER SALES

Timber sale development and harvesting of timber trees will be conducted in accordance with the Program Standards of the Model 108 Contract. Some specifics are as follows, but not limited to:

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- Cruise volume results will be utilized for timber sale appraisal and the Forest Officer Report (FOR).

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- Field records and maps will be made available upon request to the BIA & other as appropriate.

ATTACHMENT "A"
2) Timber Sale Administration

- The NFD and the BIA Timber Sale Officer will administer the timber sale activities and implementation of the timber sale contract.

- The NFD and the BIA Timber Sale Officer will approve timber for harvest and acceptance of timber sale activities completed under the terms of the sale contract.

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  - Treatments on tribal woodlands in accordance with Best Management Practices;
  - Density and stand composition manipulation to improve resilience to catastrophic wildland fire;
  - Control of invasive woodland species.

ATTACHMENT “A”
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Forest Development will be conducted in accordance with the Project Proposal Scope of Work. Some specifics are as follows, but not limited to:

- The NFD will work with the BIA Forester to implement forest development projects.

- The *Navajo Nation's Ten-Year Forest Management Plan* will be utilized in lieu of a Forest Development Plan.

- The NFD will submit project proposals, accompanied with a SOW for review, consideration and approval by the BIA. Project proposals and SOWs submitted should be associated with the following:
  - The development, maintenance, and enhancement of Indian forest land in a perpetually productive state in accordance with principles of sustained yield and with the standards and objectives set forth in the *Navajo Nation's Ten-Year Forest Management Plan* by providing effective management and protection through the application of sound silvicultural principles.
  - The harvesting of forest products, forestation, timber stand improvement, and other forestry practices.

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  - Determination of tree growth;
  - Documentation of long-term trends;

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ATTACHMENT "A"
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  o Preparation and offering of timber for advertisement, sale, and administration; marketing and development opportunities related to Indian forest products, consultation and advice to tribes, tribal and Indian enterprises on maximization of return on forest products.
### Navajo Nation
Summary of Proposed Budget
FY 2020 - P. L. 93-638 BIA Contract

**Part 1. - Program Information:**
A. Program / Division: Forestry Management / Natural Resources
B. Contract No.: A18AV00262

**Part II. - Budget Information:**

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<th>Cost Type</th>
<th>Title of Cost Type</th>
<th>Description on the purpose of the budget.</th>
<th>Budget Amount</th>
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**Total Budget:** $737,745.00

**Part III. - Signatures:**

- Program Manager / Date: 12/01/19
- Division Director / Date: 8/21/2019

"Attachment B"
Government Performance and Results Act (GPRA)

If applicable, GPRA Report will be identified and finalized in coordination with BIA NRO.
Program Specific Report

If applicable, Program Specific Report will be identified and finalized in coordination with BIA NRO.

Attachment "D"