



February 10, 2025

MEMORANDUM

TO : Loretta John, Accounting Manager  
Accounts Receivable Section, OOC  
[ARdocs@nnooc.org](mailto:ARdocs@nnooc.org)

FROM : Signed Name  
Requester's Name, Position  
Department  
Division

SUBJECT : Procurement Clearance Request

This memorandum serves as a request for a procurement clearance pursuant to the Navajo Business & Procurement Act, 12 NNC, § 1501. The procurement clearance is on the following individual(s) and/or business:

Business name or Operation Name  
Owner name/Contact name  
Mailing Address  
City, State, Zip code  
Social Security, EIN, or TIN

Note: Project Name/Doc #

If you have any questions, (add contact information, email address and/or phone number).  
Thank you.

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## **Chapter 15. Navajo Business and Procurement Act**

### **Section**

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### **§ 1501. Title**

This Act shall be known and cited as the Navajo Business and Procurement Act.



**History**

CD-62-86, December 11, 1986.

**Library References**

Indians ⇨24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

**§ 1502. Purpose**

The purpose of this Act is to protect the resources and financial integrity of the Navajo Nation and to promote sound governmental practices. Therefore, compliance with this Act shall be a condition precedent to transacting or granting any business opportunity, contract, procurement activity; or processing any easement, permit, lease transaction; or considering any loan application by or from the Navajo Nation to any individual, business, corporation, partnership, or other entity other than the Navajo Nation.

**History**

CD-62-86, December 11, 1986.

**Library References**

Indians ⇨24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

**§ 1503. Definitions**

A. For purposes of this Chapter, "Navajo Nation" shall be defined as:

1. The Navajo Nation Council, its standing committees, and Navajo Nation Council Delegates;
2. The President and Vice-President of the Navajo Nation;
3. All committees, boards, and commissions of the Navajo Nation government;
4. All certified chapters of the Navajo Nation;
5. All grazing committees, land boards, and farm boards of the Navajo Nation;
6. All divisions, departments, and programs operating under the authority of and within the Executive Branch of the Navajo Nation government;
7. All programs under and within the Judicial Branch of the Navajo Nation government;
8. All enterprises of the Navajo Nation; Navajo Community College, Crownpoint Institute of Technology, and any other entity owned in whole or part by the Navajo Nation; and
9. All other programs and entities who receive at least fifty-one percent (51%) of their funding either directly from the Navajo Nation government or are authorized by the Navajo Nation government to receive federal or state grants or other monies on behalf of the Navajo Nation.



B. "Business" shall mean any individual or association of individuals engaged in commerce, trade, or the buying and selling of commodities or services whether or not for profit; and shall include each person associated with such business for eligibility purposes.

C. "Business Opportunity" shall mean:

1. The availability of any opportunity from the Navajo Nation to engage in or provide governmental or administrative services; procurement, business, commerce or trade activities, or the buying and selling of commodities or services; or

2. The receipt of any business certification or advantage pursuant to the Navajo Nation Business Opportunity Act; or

3. The receipt of any contract, lease, easement, permit, loan, monies, or funds from the Navajo Nation not expressly exempted.

D. "Contract" shall include but not be limited to any subcontract; or grant/subgrant of funds for a specific purpose.

E. "Corporation" shall mean any corporate or chartered entity formed under any Navajo Nation, state, or federal law; and shall include for eligibility identification purposes, all of its board of directors, officers, and controlling shareholders (persons owning of record or beneficially at least twenty-five percent (25%) of the issued and outstanding stock or beneficial interest of the corporation).

F. "Delinquent Accounts Receivable" shall mean any monetary amount owed to the Navajo Nation which is not expressly exempted and is at least thirty (30) days past due.

G. "Easement" shall mean any right-of-way or limited right to use Navajo Nation realty including any transfer, assignment, or extension thereof.

H. "Individual" shall mean any natural person and shall include the person's spouse pursuant to applicable principles of community property law.

I. "Lease" shall mean any lease, sublease or operating agreement (or any transfer, assignment or extension thereof) for the possession and use of Navajo Nation realty excluding homesite leases.

J. "Other Entity" shall mean any other individual, business, company or other organization or entity not covered in Subsections (B),(E),(H), and (K) excluding the federal government and its instrumentalities; and shall include each associated individual for eligibility identification purposes.

K. "Partnership" shall mean any partnership formed under any Navajo Nation or state law or any group of two (2) or more individuals who hold themselves out as a partnership, formally or informally, including but not limited to joint venture partners, brokers, dealers, etc., and shall include each individual partner for eligibility identification purposes.

L. "Permit" shall mean any permit (excluding grazing and land use permits), license or revocable agreement for the temporary use of Navajo Nation



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realty or personalty or the grant of authority to allow specific acts including any transfer, assignment, or extension thereof.

M. "Procurement" shall mean the purchase or lease of goods and services by the Navajo Nation.

### History

CD-62-86, December 11, 1986.

**Note.** Slightly reworded and reorganized for purposes of statutory form. The "Navajo Skill

Center" is now the "Crownpoint Institute of Technology" pursuant to ACJA-7-87, January 2, 1987.

### Library References

Indians ⇨24, 32(4.1).

Westlaw Topic No. 209.

C.J.S. Indians §§ 12, 31.

### Annotations

#### 1. Construction and application

"The ONLR fits under the definition of Navajo Nation in the Procurement Act." *PC & M*

*Construction Company, Inc. v. Navajo Nation, et al.*, 7 Nav. R. 96, 98 (Nav. Sup. Ct. 1994).

## § 1504. Eligibility and compliance under the Act

A. The determination of eligibility of an applicant for each and every transaction subject to this Act shall be made initially by the appropriate department or entity of the Navajo Nation, as defined in § 1503(A) which receives an applicant's request for consideration for a business opportunity, procurement activity or loan.

B. As a condition precedent to further review and processing by the Navajo Nation, such eligibility of the applicant shall be confirmed by either:

1. Evidence of compliance verifying the initial eligibility of the applicant in that none of the conditions cited in § 1505(A)-(D) below are applicable; or

2. Evidence of clearance verifying that the applicant has since remedied all applicable bases for previous ineligibility cited in § 1505(A)-(D) below and is now eligible as an applicant in conformance with this Act.

### History

CD-62-86, December 11, 1986.

### Library References

Indians ⇨24, 32(4.1).

Westlaw Topic No. 209.

C.J.S. Indians §§ 12, 31.

## § 1505. Ineligibility

No applicant individual, business, corporation, partnership or other entity shall be eligible to do any business with the Navajo Nation as set forth in § 1502 (i.e., as a contractor, grantee, consultant, broker, dealer, vendor, supplier, permittee, lessee, easement or loan recipient, etc.); or receive any certifica-



tion or advantage under the Navajo Nation Business Opportunity Act; or receive any contract, purchase order (P.O.), request for direct payment (R.D.P.), or other accounts payable order for procurement from the Navajo Nation; or be granted a Navajo Nation easement, permit or lease, or loan of any type from the Navajo Nation if any one of the following circumstances apply:

A. If there is an outstanding money judgment in favor of the Navajo Nation from a court of competent jurisdiction or a valid delinquent accounts receivable debt which is due and owing to the Navajo Nation from that applicant entity either in its present form or in any other identifiable capacity as an individual, business, corporation, partnership or other entity; or

B. If under any transaction, contract or legal relationship with the Navajo Nation, there has been evidence of default of materially deficient business practices or failure to meet a material contractual or financial obligation to the Navajo Nation or failure to materially comply with applicable laws or material delay by that applicant entity either in its present form or in any other identifiable capacity as an individual, business, corporation, partnership or other entity, resulting in monetary or other detriment to the Nation which remains uncured; or

C. If that applicant entity either in its present form or in any other identifiable capacity as an individual, business, corporation, partnership or other entity, has been found to have engaged in unlawful or criminal actions or other activities which adversely reflects on the honesty and moral character of said party(ies) so as to make any dealings with the Navajo Nation undesirable; or

D. If the individual or any individual(s) of the applicant entity either in its present form or in any other identifiable capacity as an individual, business, corporation, partnership or other entity, has been convicted of a criminal offense within the previous ten (10) years under any Navajo Nation, state or federal law for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or committing a criminal offense relating to obtaining a public/private contract or in the performance of such contract.

#### **History**

CD-62-86, December 11, 1986.

#### **Library References**

Indians ⇄ 24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

#### **§ 1506. Removal of ineligibility**

A. Any individual, business, corporation, partnership or other entity may remove a determination of ineligibility based on § 1505(A) of this Act by paying in full all outstanding amounts owed to the Navajo Nation. Such payment shall not be contingent in any way on the future eligibility of the party(ies)



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under this Act. Only upon full and complete payment, will the individual, business, corporation, partnership or entity be considered eligible under § 1505(A) for application for business opportunities, procurement activities and loans from the Navajo Nation.

B. Removal of a determination of ineligibility based on § 1505(B), (C) and (D) shall be set forth in rules and regulations promulgated pursuant to § 1511 herein.

### History

CD-62-86, December 11, 1986.

### Library References

Indians ⇨24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

## § 1507. Right of offset

If the applicant entity in its present form or any other identifiable capacity as an individual, business, corporation, partnership or other entity, has an outstanding money judgment against it in favor of the Navajo Nation or a delinquent accounts receivable debt which is due and owing to the Navajo Nation, upon due notice the Navajo Nation may offset its money claim against any amount it owes to or has an account payable to the individual, business, corporation, partnership or other entity.

### History

CD-62-86, December 11, 1986.

### Library References

Indians ⇨24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

### Annotations

#### 1. Construction and application

"The Navajo Business and Procurement Act permits the Navajo Nation, upon due notice, to offset its money claim against any amount it owes to a business." *PC & M Construction Company, Inc. v. Navajo Nation, et al.*, 7 Nav. R. 58, 59 (Nav. Sup. Ct. 1993).

#### 2. Purpose

"The Navajo Business and Procurement Act was created to enforce the Navajo Nation Collection System in the best interests of the Navajo Nation." *PC & M Construction Company, Inc. v. Navajo Nation, et al.*, 7 Nav. R. 96, 98 (Nav. Sup. Ct. 1994).

## § 1508. Administrative review process

A. Any applicant may file a written appeal within seven (7) calendar days of receipt of a determination of ineligibility or notice of intent to offset with a Hearing Officer appointed for this purpose. The Hearing Officer shall act upon and render a final decision within thirty (30) days from the date of receipt of the protest. All final decisions shall include a statement of findings of fact, conclusions and the reasons therefor.



B. The Hearing Officer shall be appointed by the President of the Navajo Nation.

#### History

CD-62-86, December 11, 1986.

#### Library References

Indians ☞24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

#### Annotations

1. **Construction and application** requires the hearing officer to make findings of fact, conclusions of law, and a decision." *PC & M Construction Company, Inc. v. Navajo Nation, et al.*, 7 Nav. R. 58, 59 (Nav. Sup. Ct. 1993).
- "The Navajo Business and Procurement Act permits a party to appeal a notice of intent to offset to a hearing officer. That section also

### § 1509. Final appeal

A final decision of the Hearing Officer may be appealed to the Navajo Nation courts. Such appeal shall be limited to questions of law and the Hearing Officer's findings of facts shall be sustained, provided there is some basis in the evidence for such findings.

#### History

CD-62-86, December 11, 1986.

#### Library References

Indians ☞24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

#### Annotations

1. **Construction and application** *PC & M Construction Company, Inc. v. Navajo Nation, et al.*, 7 Nav. R. 58, 59 (Nav. Sup. Ct. 1993).
- "The Navajo Business and Procurement Act provides for an appeal of the hearing officer's decision to the Navajo Nation Supreme Court."

### § 1510. Construction of the Act

Eligibility and compliance under this Act shall be construed as an additional requirement which is a condition precedent to the application of other appropriate Navajo Nation laws, rules, regulations and program requirements. Nothing in this Act shall be construed to waive or supersede such other applicable law, program, or Navajo Nation requirements unless said requirements are inconsistent with this Act, in which event § 1512 shall apply. Any action(s) by employees or officials of the Navajo Nation in violation of this statute shall be null and void.

#### History

CD-62-86, December 11, 1986.



## Library References

Indians ⇨24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

**§ 1511. Delegation of authority/responsibility for monitoring and enforcement**

The Division of Finance, the Division of Economic Development and the Department of Justice in conjunction with the Office of the Attorney General are delegated the authority and responsibility to promulgate rules and regulations as necessary, and to monitor, enforce and implement the intent of this Act. Said rules and regulations shall require the approval of the Government Services Committee of the Navajo Nation Council.

## History

CD-62-86, December 11, 1986.  
**Note.** The Advisory Committee is no longer a standing committee of the Navajo Nation Council. See CD-68-89, December 15, 1989 (Resolved Clause #10), and 2 N.N.C. § 341 *et seq.* for the authority of the Government Services Committee.

## Library References

Indians ⇨24, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

**§ 1512. Prior inconsistent law repealed**

All prior Navajo Nation laws, regulations, rules and provisions of the Navajo Nation Council previously adopted, to the extent they are inconsistent with this Act, are repealed.

## History

CD-62-86, December 11, 1986.

**§ 1513. Severability of the Act**

If any provision of this Act is held invalid by any court of competent jurisdiction, the remaining provisions of the Act shall have full force and effect.

## History

CD-62-86, December 11, 1986.

**§ 1514. Express exceptions under the Act**

The following transactions are expressly exempted from compliance and consideration under this Act: gifts, homesite leases, grazing and land use permits, educational scholarships, educational loans, and water use assessments for Navajo-owned farms and irrigation projects.

## History

CD-62-86, December 11, 1986.

**Library References**

Indians ~~24~~, 32(4.1).  
Westlaw Topic No. 209.  
C.J.S. Indians §§ 12, 31.

**§ 1515. No waivers or other exceptions**

No waiver of or other exception to any requirement of this Act shall be granted except by valid resolution of the Navajo Nation Council.

**History**

CD-62-86, December 11, 1986.

**Revision Note.** Slightly reworded for purpose of statutory form.

**§ 1516. Effective date and amendment**

The effective date of this Act shall be thirty (30) days after adoption by the Navajo Nation Council and shall remain in effect until modified or repealed by the Navajo Nation Council.

**History**

CD-62-86, December 11, 1986.