



# DoD INDIAN INCENTIVE PROGRAM INFORMATION SHEET



## WHAT IS THE DOD INDIAN INCENTIVE PROGRAM?

The Department of Defense (DoD) Indian Incentive Program (IIP) is designed to encourage the use of Indian Organizations and Indian-Owned Economic Enterprises by providing an incentive to prime and sub-tier contractors who subcontract with Indian Organizations and Indian-Owned Economic Enterprises.

The program is managed and *fully* funded by the Office of the Secretary of Defense (OSD) Small and Disadvantaged Business Utilization (SADBU) Office.

Contracting activities do not need to provide any funding for this program. Once approved, the contract is modified to authorize payment of the incentive.

## RESOURCES

DoD IIP Website: <http://www.acq.osd.mil/sadbu/iip>

DoD IIP Program Manager: Dr. Robert Segura, phone: (703) 588-8620, email: [robert.segura@osd.mil](mailto:robert.segura@osd.mil)

DoD IIP Special Assistant: Mr. George Gover, phone: (703) 588-8633, email: [george.gover@osd.mil](mailto:george.gover@osd.mil)

SPAWAR Small Business Office: (619) 524-7701

## REFERENCES

Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 226.1

DFARS Clause 252.226-7001

## THE INCENTIVE

The program allows prime and sub-tier contractors to receive a rebate of 5% of the total amount paid to Indian Organizations and Indian-Owned Economic Enterprise subcontractors.

Prime and sub-tier contractors must formally request the rebate by submitting a letter to the contracting officer along with supporting documentation proving the amount paid to Indian Organizations/Enterprises.

Step-by-step instructions for processing an Indian Incentive request are provided on the following page.

## DEFINITIONS

*"Indian Organization"* is defined as: The governing body of any Indian tribe or entity established or recognized by the governing body of an Indian tribe for the purposes of 25 U.S.C. Chapter 17.

*"Indian-Owned Economic Enterprise"* is defined as: Any Indian-owned (as determined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit, provided that the Indian ownership constitutes not less than 51% of the enterprise.

## FY 2001 DoD PARTICIPANTS

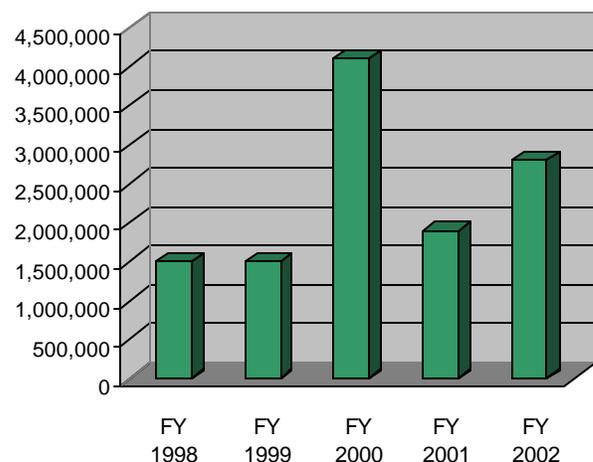
30 prime and sub-tier contractors have received incentive payments by awarding subcontracts to 50 Indian Organizations and Indian-Owned Economic Enterprises.

Prime and sub-tier  
contractors

Indian Organizations  
and Indian-owned  
Economic Enterprises



## DoD PROGRAM DOLLARS PAID



## PROCESSING A REQUEST...

The following Who, What, Where, When, and How (W<sup>4</sup>+H), is our formula for education and success! Read on to learn more about the Indian Incentive Program, determine eligibility, and successfully process an IIP request.



**START HERE**

## WHO... can participate?

Any of the following that use Indian-owned businesses or enterprises as subcontractors:

- Large business prime contractors
- Small business prime contractors (no subcontracting plan required)
- DoD sub-tier contractors (at any tier)

## WHAT... are the contract requirements?

- DoD contract must be >\$100K; **AND** for other than commercial items **OR** uses FAR Part 12 procedures solely through authority of DFARS 212.102
- For prime contract IIP requests, the contract must include DFARS clause 252.226-7001\*
- For sub-tier contract IIP requests:
  - the prime contract must include DFARS clause 252.226-7001\*
  - the subcontract must include the substance of DFARS clause 252.226-7001

**\* Contract/subcontract may be modified to add the clauses at any time during the performance of the contract upon request of the prime contractor.**

## WHERE... do I submit my IIP request?

- SPAWAR contracts: prime contractors submit IIP package to the Small Business Office
- Other commands: contact the Contracting Officer
- DoD Sub-tier contractors:
  - submit IIP requests through the prime contractor who verifies the information is correct, endorses the package, and forwards it to the government for processing;
  - prime contractors who submit requests and receive payments on behalf of subcontractors at any tier, are obligated to pay the subcontractor the incentive.

## WHEN CAN... an IIP request be submitted?

As long as the contract is **open** and the **prime contractor is still performing**:

- Large business prime contractors may submit requests back to FY 1997
- Small business prime contractors may submit requests back to April 13, 2000
- Sub-tier contractors may submit requests back to September 13, 2001
- Recommend quarterly or semi-annual submittals

## WHEN CAN'T... an IIP request be submitted?

IIP requests cannot be submitted:

- Within 50 working days of subcontract award
- While a challenge is pending regarding the validity of the Indian business status
- If a DoD subcontractor is determined an ineligible participant
- After performance is completed and/or the contract is closed

## HOW... do I prepare an IIP request?

Request an IIP payment by letter including:

- A statement that the contract/subcontract includes DFARS clause 252.226-7001
- Total amount requested
- A statement regarding the subcontractor's status as an Indian organization/Indian-owned economic enterprise
- Period of performance covering the incentive period

**In addition**, the following must be included with the letter:

- A listing of all payments made to Indian organizations and Indian owned economic enterprises, with the total payment and the 5% incentive computed
- A copy of each subcontract with the company's self-certification/representation
- A copy of each invoice and proof of payment