



# Indian Incentive Program



## 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, Indian-Owned Economic Enterprises, Alaska Native Corporations and Native Hawaiian Small Business Concerns by providing an incentive to prime and sub-tier contractors who subcontract with Indian Organizations, Indian-Owned Economic Enterprises, Alaska Native Corporations and Native Hawaiian Small Business Concerns.

The program is managed by the Department of Defense (DoD) Office of Small Business Programs (OSBP). Funding availability is determined by congress each fiscal year.

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

## THE INCENTIVE

The Indian Incentive Program allows eligible prime contractors to receive a rebate of 5% of the total amount subcontracted to Indian Organizations, Indian-Owned Economic Enterprise and Native Hawaiian Small Business Concerns.

**Please note that DFARS Clause 252.226-7001 must be in the contract in order to participate in the Indian Incentive Program.**

Prime 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 or Native Hawaiian Small Business Concern.

## DEFINITIONS

**“Native”** as defined in the Alaska Native Claims Settlement Act (43 U.S.C 1601).

**“Indian tribe”** means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, that is recognized by the Federal Government as eligible for services from BIA in accordance with 25 U.S.C. 1452(c).

**“Indian organization”** means 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”** means 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 Indian ownership constitutes not less than 51 percent of the enterprise.

**“Native Hawaiian small business concern”** means an entity that is (1) A small business concern as defined in Section 3 of the Small Business Act (15 U.S.C. 632) and relevant implementing regulations; and (2) Owned and controlled by a Native Hawaiian as defined in 25 U.S.C. 4221(9).

## REFERENCES

- DFARS Clause 252.226-7001
- DFARS 226.103-104
- FAR Clause 52.226-1
- FAR Clause 26.104

## RESOURCES

<http://www.acq.osd.mil/osbp/programs/iip/index.htm>

DoD IIP Program Manager:

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## INDIAN INCENTIVE PROGRAM PARTICIPANTS

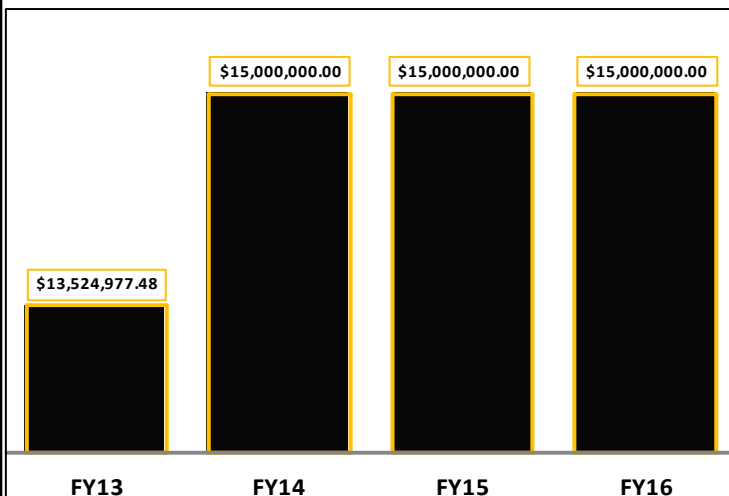
Prime Contractors



Indian Organizations



## AMOUNT OF IIP DOLLARS DISTRIBUTED



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INFORMATION SHEET

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## PROCESSING A REQUEST...

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 \$500K or more
- ◆ For prime contract IIP requests, the contract must include DFARS clause 252.226-7001.
- ◆ For DoD 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 *prior* to completion of contract performance upon request of the prime contractor.**

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

- ◆ Contracting officers submit IIP package to DoD OSBP Office after validating the material and verifying the package is correct and complete.
- ◆ Prime contractors submit IIP package to the Contracting Officer after validating/verifying package is correct/complete:
  - ◇ Prime contractors who submit requests and receive payments on *behalf* of subcontractors at any tier are obligated to pay the subcontractor the incentive.
- ◆ DoD Sub-tier contractors:
  - ◇ Submit IIP requests through the prime contractor who verifies the information is correct, verifies the package is complete, endorses the package, and forwards it to the government Contracting Officer at the agency administering the contract for processing. The Contracting Officer will then submit the complete package to OSBP after review.

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

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

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

- ◆ IIP requests cannot be submitted:
  - ◇ Within 90 days of subcontract award.
  - ◇ While a challenge is pending regarding the validity of the Indian business status or the certification of Native Hawaiian Small Business Concern.
  - ◇ If a DoD subcontractor is determined an ineligible participant.
  - ◇ If the contract is closed.

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

- ◆ Request an IIP payment through rebate request package, which includes:
    - ◇ Cover letter (Latest version of cover letter templates for Contracting Officer and Prime Contractor are available on DoD OSBP website).
  - ◆ Certification documents of subcontractor
    - ◇ Prime Contractor's rebate request package is required to include all invoices from subcontractor.
    - ◇ Validated invoice summary sheet.
- Once a complete package is prepared, it may be emailed to OSBP ([OSBP-IIP@osd.mil](mailto:OSBP-IIP@osd.mil)).

FOR ADDITIONAL QUESTIONS, PLEASE CONTACT OUR ORGANIZATION  
VIA

EMAIL: [OSBP-IIP@OSD.MIL](mailto:OSBP-IIP@OSD.MIL)

TELEPHONE: 571-372-6191