

DoD Office of Small Business Programs (OSBP)

INDIAN INCENTIVE PROGRAM (IIP)



References

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

5% REBATE ISSUED WHEN DOD PRIME CONTRACTORS SUBCONTRACT TO NATIVE OWNED BUSINESSES

The Department of Defense (DoD) Indian Incentive Program (IIP) is a congressionally sponsored program that provides a 5 percent rebate to a DoD prime contractors on the total amount subcontracted to an Indian Organizations, Indian-Owned Economic Enterprises, Alaska Native, and Native Hawaiian Small Business Concerns, in accordance with the Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.226-7001. DoD prime contractors with a subcontract worth \$500,000 or more are eligible for payment.

PROGRAM BENEFITS

- Serves as an economic multiplier for Native communities by creating an important incentive to subcontract with Native entities
- Assists in the industrial base's expansion to include more Native American-owned businesses
- Promotes a secure and diverse industrial base
- Introduces competition as the companies are able to grow and expand their capabilities by partnering with a prime
- Through the generation of subcontracts, the IIP serves as an economic multiplier for Native American communities.

<https://business.defense.gov/Programs/Indian-Incentive-Program>

Annual Funds (FY 24) **\$25M**

IIP REBATE PROCESS

- ◆ Prime Utilizes Native American/Alaskan/Hawaiian owned Organization
- ◆ Prime Submits Required Documentation to Contracting Officer (KO) Requesting IIP Rebate
- ◆ KO Submits Request w/Required Documentation to OSBP
- ◆ Military Interdepartmental Purchase Request (MIPR) Accepted by Contracting Activity
- ◆ MIPR for IIP Payment is initiated
- ◆ Internal Review & Verification (OSBP)
- ◆ Contract Modification Issued for IIP Rebate by KO
- ◆ Prime Submits Invoice per MIPR Instructions
- ◆ Prime receives 5% rebate incentive