



PGDC

Department of Defense Indian Incentive Program

In 1974, Congress enacted Section 504 of the Indian Financing Act of 1974 (25 U.S.C. § 1544) authorizing the payment of a 5% incentive to Contractors who utilize federally recognized Indian-owned subcontractors or suppliers. Section 504 states: "Notwithstanding any other provision of law, a contractor of a Federal agency under any Act of Congress may be allowed an additional amount of compensation equal to 5 percent of the amount paid, or to be paid, to a subcontractor or supplier, in carrying out the contract if such subcontractor or supplier is an Indian organization or Indian owned economic enterprise as defined in this chapter."

The definition of an "Indian Organization," is 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 1 Section 1603. An "Indian-Owned Economic Enterprise," is 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. The Department of Defense (DoD) Indian Incentive Program (IIP) strives to provide opportunities to Indian organizations and Indian-owned economic enterprises, by providing for the payment of 5 percent of the amount subcontracted to an Indian organization or Indian-owned economic enterprise at any sub-tier, when authorized under the terms of the contract. DoD contracts with prime contractors that contain the FAR clause 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises are eligible for incentive payments under the FY 2003 program. For actions after 13 September 2001, sub-tier contractors who subcontract to an Indian-owned firm are eligible for the incentive payments by the Prime inserting DFARS Clause 252.226-7001 in the contract. These clauses may be added at any time during the performance of the contract by the Prime.

Process for Prime Contractors

- Prime Contractors submit requests for incentive payments to DoD Contracting Officers.
- Contractor's request should: Cite the use of FAR Clause 52.226-1 in DoD contract.
- Copies of pertinent pages of subcontract.
- Copies of subcontractor's invoices total payment and calculation of 5% rebate.
- Subcontractor's status -Indian or Indian-owned Economic Enterprise.
- Federally Recognized verification.

Port Graham Development Corporation

PGDC is an Alaska Native Corporation (ANC) 8(a) certified firm whose principles and philosophies are guided by the Alutiiq heritage, culture, and values. PGDC is committed to delivering the highest possible value, on schedule, and on budget to our customers. PGDC is a full-service Program/Project Management, Engineering, Construction and Professional Services firm characterized by a robust accounting system, rigid schedule management standards, and strict real-time Project accountability.

PGDC is a federally recognized Indian-owned corporation. By utilizing PGDC as a subcontractor your company will be eligible for a 5% incentive from the Department of Defense. You can contact PGDC at (907) 761-6012; by email at jshep@pgdcorp.com, or visit our website at www.pgdcorp.com.

Forward Vision • Strong Traditions

www.pgdcorp.com