

26 June 2000

MEMORANDUM FOR AFSPC Contracting Offices and Small Business Specialists

FROM: HQ AFSPC/LGC  
150 Vandenberg St Ste 1105  
Peterson AFB CO 80914-4350

SUBJECT: INFO.LTR 2000-06, Promoting Awareness of the Indian Incentive Program

References:

- FAR 26.1
- DFARS 226.1

1. Purpose: Paragraph A.4 (page 7) of the FY00 AFSPC Small Business Plan contains an initiative to increase awareness and utilization of the Indian Incentive Subcontracting Program by Air Force Space Command (AFSPC) prime contractors. To achieve this goal, we ask that AFSPC contracting officers, working with their small business specialist, provide their contractors with an emphasis memo when the contract contains the applicable clause, FAR 52.226-1, "Utilization of Indian Organizations and Indian-owned Economic Enterprises." We are providing a template letter that contracting officers may use (Atch 1). Another template letter, to request funds from the Office of the Under Secretary of Defense (OUSD) IAW DFARS 226.103, is provided at Atch 2. We suggest the memo to the contractors be addressed to the contractor employee responsible for the profit under the contract, with a copy to the SB Liaison Official responsible for implementation of the small business subcontracting plan (for contracts that have a subcontracting plan).

2. In accordance with DFARS 226.104, the Indian Incentive clause is to be included in all contracts expected to exceed the simplified acquisition threshold, except those issued under FAR Part 12. (Note: IAW FAC 97-17, use of the Indian Incentive clause is no longer limited to contracts with large businesses that have small business subcontracting plans). This clause provides an incentive of 5% of the subcontract cost to prime contractors who award subcontracts to Indian-owned businesses. The nature of the incentive is to give the prime contractor an increase in estimated cost, target cost or firm-fixed price, depending on the type of contract. The funds for this incentive are provided through the OUSD (Acquisition, Technology and Logistics (AT&L)) Office of Small and Disadvantaged Business Utilization (SADBU) and not by the wing or contract customer.

3. Contracting Officers are reminded that, in accordance with the Anti-deficiency Act, you can not issue a contract modification to provide incentive payments under this clause until funds have been provided by OUSD (AT&L) SADBU.

4. An electronic copy of this memo can be found at the HQ AFSPC/LGC web site under "Info Letters." If you have questions contact Mark Benett DSN 692-5322, (719) 554-5322, [mark.benett@peterson.af.mil](mailto:mark.benett@peterson.af.mil) or Anthony Lander, HQ AFSPC/LGCM, DSN 692-5324 or [anthony.lander@peterson.af.mil](mailto:anthony.lander@peterson.af.mil).

5. Small Business Specialists are asked to report back to Mr. Benett when this action is completed (memos have been sent to contractors) so that we can document this achievement in the annual AFSPC Small Business Report.

//signed//  
BRADLEY R. BUSCH, Col, USAF  
Chief, Contracting Division

Atchs

1. Distribution List
2. Template Memo to Contractors
3. Template Memo to DoD Small Business Office

DISTRIBUTION:

Post to HQ AFSPC/LGC Web Site:  
<http://www.peterson.af.mil/hqafspc/contracting>

HQ AFSPC/CONF  
1520 E. Willamette Ave, Rm 106  
Colorado Springs CO 80909-4554

21 CONS/CC  
700 Suffolk St  
Peterson AFB CO 80914-1200

30 CONS/CC  
Bldg 7015, Section 2C  
806 13th St, Suite 2  
Vandenberg AFB CA 93437-6025

45 CONS/CC  
1201 Edward H. White II St. MS#7200  
Patrick AFB FL 32925-5432

50 CONS/CC  
300 O'Malley Blvd, Suite 49  
Schriever AFB CO 80912-3049 (STOP No. 8249)

90 CONS/CC  
7505 Marne Loop  
F E Warren AFB WY 82005-2860

341 CONS/CC  
7015 Goddard Drive  
Malmstrom AFB MT 59402-6863

750 CONF/CC  
1080 Lockheed Way, Box 39  
Onizuka AFS CA 94089-1234

821 SG/CC  
320 Beaver Creek Street  
Buckley ANGB  
Aurora CO 80011-9509

(Letter to Contractors)

SUBJECT: Indian Incentive Program, Contract No. F - -

We would like to take this opportunity to draw your attention to the Indian Incentive Program. Administration of this program is governed by the clause "Utilization of Indian Organizations and Indian-Owned Economic Enterprises (FAR 52.226-1) contained in your contract (a copy is attached for your convenience). This clause provides your company with an incentive amounting to 5% of subcontract costs when your company subcontracts with an Indian-owned firm under this contract. See paragraph b.2 of the attached clause for a description of the incentive. To take advantage of this incentive, you need to inform the undersigned that you have subcontracted with an Indian-owned firm and provide sufficient proof of subcontract cost. Thereafter, the Contracting Officer will obtain funding of the Indian Incentive from the Dept of Defense Small Business Office and modify your contract with an equitable adjustment. Please note that funding is by the DoD and not by your customer.

We urge you to take advantage of this incentive. If you have questions, please contact the undersigned at \_\_\_\_\_.

(Contracting Officer)

Atch  
Contract Clause 52-226-1

(Note to Contracting Officers: We have provided the current and historical versions of the clause below. Please ensure you include the clause that was in effect (dated) at the time of contract award).

(Letter to Request Funds)

Office of Small and Disadvantaged Business Utilization  
Office of the Under Secretary of Defense (Acquisition, Technology and Logistics)  
1777 North Kent Street, Suite 9100  
Arlington, VA 22209

SIR:

In accordance with DFARS 226.103, request funding for payment to the contractor under the Indian Incentive clause of the referenced contract. The contractor, (company name), has submitted sufficient evidence to substantiate subcontract costs of \$ (insert dollar amount). Request funding of 5% of that amount. We have attached a copy of the contractor's documentation.

(Contracting Officer)

Atch:

Contractor's Documentation