



# NACA

Native American Contractors Association

## **Doing Business with the Federal Government**

## **Great Lakes Tribal Economic Development Symposium**

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## Federal Market and Small Business Goals

- Federal government purchases continue to climb: over \$400 billion in goods and services in 2006
- Federal law requires 23% of prime contracts and subcontracts to be set aside for small businesses
  - 5% reserved for SDB firms
  - 5% reserved for WOSB
  - 3% reserved for HUBzones
- Fosters growth of small disadvantaged businesses through set aside contracts and other procurement programs
- Provides opportunities for small firms to enter the market and grow



## Native 8(a) Business Development Program

- Helps Native enterprises compete more effectively in federal marketplace
- Native contracting provisions promote economic self-sufficiency of Native communities through certification in the SBA 8(a) Business Development Program
  - ◆ Multiple 8(a) companies possible
  - ◆ No ceiling on negotiated contract awards



## Attractive Opportunity for Tribes

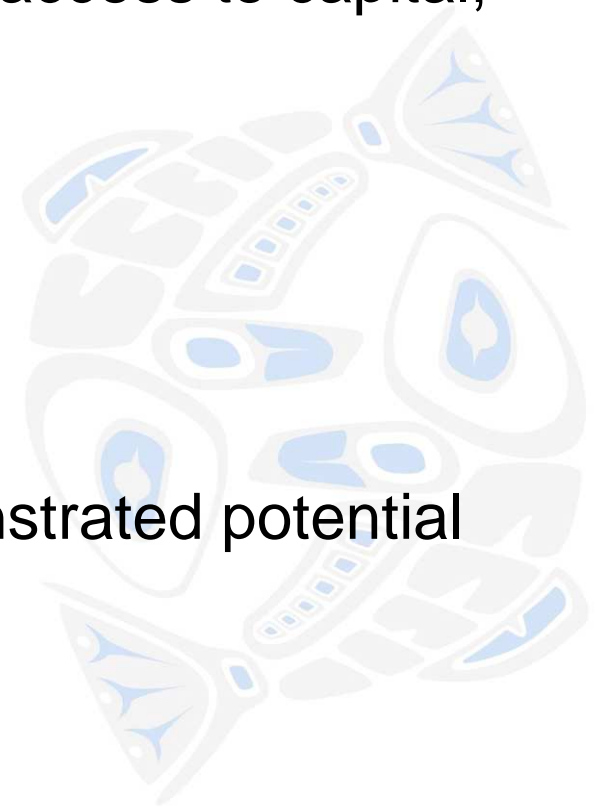
- Service industry biggest growth area
- Lower start up costs
- Some tribes are acquiring 8(a) companies
- Mentor/Protégé programs
- Can joint venture or team with experienced partner
- Use purchasing power of federal government to grow and develop company





## 8(a) Eligibility Rules

1. Must be economically disadvantaged
  - ANCs presumption
  - Tribes must demonstrate (unemployment rates, per capita income levels, poverty rate, access to capital, tribal assets)
2. Ownership
  - ANCs: majority of stock and equity
  - Tribes: 51% of stock
3. Potential for success
  - In business for two years or demonstrated potential
4. Must be for-profit entity





## Native Participation in the Federal Marketplace

- In 2005 tribal and ANC 8(a) enterprises generated \$1.9 billion and created over 28,000 jobs nationwide
- Primary industries:
  - Base operations management
  - Information Technology
  - Services





## Tribally-Owned Firms – One of the Fastest Growing Business Segments

- Washington Technology --Top 25 8(a) companies 14 Native enterprises listed as the most successful small businesses in 2006
- Diverse services:
  - All Native Systems developed a database for the Mexican Government to fight smuggling and terrorism—Award by the State Department



# Other Contracting Incentives



- Contracting opportunities set aside for businesses located in Historically Underutilized Business Zones (HubZones). Can be competitive or no bid contracts.



- Encourages use of Native subcontractors by DoD prime contractors





# Buy Indian Act

- Permits the Secretary of Interior to forgo full and open competition when purchasing “products of Indian industry.” 25 USC 47
  - BIA Guidance: “all [BIA] purchases or contracts be made or entered into with qualified Indian contractors to the maximum practicable extent”
  - BIA 2007 performance measure established to increase by 5% the total value of the BIA charge card purchases from Buy Indian vendors of office supplies
  - Buy Indian Purchases in 2005: \$37M 2006:\$10M
- Indian Health Service
  - Promulgated regulations to implement its Buy Indian policy pursuant to the Indian Self-Determination and Educational Act. 48 CFR 370.503



# Diversify Native Economies

- Participation in federal marketplace can help diversify Native business activities
- Provide economic return to tribe and contribute to tribal social and cultural needs
- Provide higher skilled jobs, scholarships, cultural





For more information

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