

GAO Highlights

Highlights of [GAO-15-588](#), a report to congressional requesters

Why GAO Did This Study

The Buy Indian Act of 1910 and agencies' implementing regulations allow Interior's BIA and the Department of Health and Human Services' IHS to award federal contracts to Indian-owned businesses without using the standard competitive process. Among other requirements, eligible firms must be at least 51 percent Indian-owned and give preference to Indians in employment, training, and subcontracting.

GAO was asked to review the implementation of the Buy Indian Act. This report identifies (1) the policies and procedures at BIA and IHS to implement the Act; and (2) the funds obligated by BIA and IHS using the Buy Indian Act procurement authority.

GAO reviewed the Buy Indian Act, the Federal Acquisition Regulation, and agency policies and regulations. GAO also analyzed data from the Federal Procurement Data System-Next Generation on BIA and IHS's contract obligations under the Act between fiscal years 2010 and 2014 and met with agency officials.

What GAO Recommends

GAO recommends, among other things, that Interior and Health and Human Services enhance their oversight of execution of the Act at regional offices by collecting additional data on key requirements and including Buy Indian Act contracts in procurement reviews. Interior and Health and Human Services agreed with GAO's recommendations.

View [GAO-15-588](#). For more information, contact William T. Woods at (202) 512-4841 or woodsw@gao.gov.

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BUY INDIAN ACT

Bureau of Indian Affairs and Indian Health Service Need Greater Insight into Implementation at Regional Offices

What GAO Found

The Department of the Interior's (Interior) Bureau of Indian Affairs (BIA) and the Department of Health and Human Services' Indian Health Service (IHS) have requirements in place to implement the Buy Indian Act. Through supplements to the Federal Acquisition Regulation, both BIA and IHS have policies and procedures to implement key requirements:

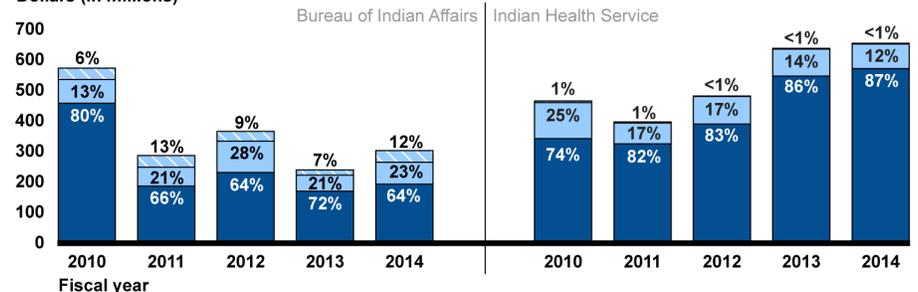
- **Indian-owned status.** Eligible firms must be 51 percent Indian-owned. The agencies rely on firms to self certify that they are Indian-owned and interested parties may challenge a firm's self-certification.
- **Indian preference.** The agencies require that contractors give preference to Indians in employment and training opportunities, and use a contract clause to implement this requirement.
- **Subcontracting.** The agencies require contractors to give preference to Indian firms in the award of any subcontracts.

However, BIA and IHS have limited insight into implementation of the Buy Indian Act at their regional offices, where the contracts are generally awarded. For example, officials at both agencies' headquarters had little knowledge as to how often challenges to self-certifications of Indian-owned status occur on contracts awarded at the regional offices. Neither agency collects data from regional offices on use of the Buy Indian Act, and neither agency includes a specific review of Buy Indian Act contracts in its regular procurement review process. Therefore, the agencies may be missing opportunities to maximize the intended benefits of the Act in terms of growth and development of Indian firms.

Use of the Buy Indian Act comprises a small percentage of the two agencies' annual contract obligations. However, these agencies also award contracts to Indian-owned firms using other authorities, thus increasing the percentage of obligations awarded to Indian-owned firms.

Total Annual Contract Obligations

Dollars (in millions)



Legend: Buy Indian Act obligations (light blue), Indian-owned obligations (medium blue), Non Indian-owned obligations (dark blue)

Source: GAO analysis of Federal Procurement Data System-Next Generation data. | GAO-15-588

Note: Numbers may not add to 100 percent due to rounding.