Indian Affairs - Office of Public Affairs

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For Immediate Release: July 27, 1988
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Assistant Secretary for Indian Affairs Ross Swimmer has informed Indian tribal leaders that almost $3 million could be saved over a five year period by using a private contractor for services to strengthen internal management and administration of more than $1.8 billion in Indian trust funds. The $3 million figure was arrived at in cost comparisons between the proposal of a selected bidder and an in-house Bureau of Indian Affairs (BIA) proposal. The study by an Interior Department interagency committee and three tribal consultants estimates that the cost over a five-year period would be $21.2 million if conducted by a selected bidder and estimated expenditures of $25.2 million by the BIA.A difference, or savings to the government, in the two proposals is $2,996,376 after a conversion differential of $980,000 is added to the contractor's cost.

Results of the comparison studies were announced in a July 25 letter from Swimmer to all Indian tribal governments. "This is an effort to continue our consultation process with tribal governments in every step that we are taking to improve the management of Indian trust funds," he said. BIA opened competitive bidding on proposals last February to procure collection, accounting, advisory investment services and custodial services for funds held in trust for Indian tribes, individuals and others. The more than 300,000 accounts represent land claims or damage awards, income from trust lands, oil and gas revenues, timber sales and the like. Bidding for the contract was open to all financial institutions for the single contract to run for one year with four one-year renewable options.

Final determination for the contract award will be made after completion of a 3D-day review of the cost comparison and the selected contractor's successful completion of the Operational Capabilities Demonstration site test. Swimmer told the tribal leaders that when this process has been completed, he would advise them of the selected contractor and provide them an opportunity to review the proposed terms of the contract which will include an implementation schedule for the trust services program.