Indian Affairs - Office of Public Affairs

Media Contact: Carl Shaw (202) 343-4576
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The Department of the Interior announced today the opening of competitive bidding to contract for services to strengthen internal management and administration of more than $1.8 billion of Indian trust funds. Ross Swimmer, Assistant Secretary for Indian Affairs, said the consultation process outlined in an April 15, 1987, Federal Register notice has been completed and it is time to move on to the competitive bidding to procure collection, accounting, advisory investment services and custodial services for funds held in trust for Indian tribes, individuals and others.

Swimmer said all activities and decisions required by law of the government as trustee will continue to be performed by the government, including control of investment decisions. "Since last March when we announced the reopening of competition for financial trust fund services, we have conducted a new full-scale procurement and management analysis of the services to be performed," Swimmer said. "We have spent more than three months consulting with Indian tribes to increase their understanding and address their concerns. I believe that all of the steps we have taken over the past several months will assure the best possible contract to provide these services."

The new proposal includes the same components that were in the original proposal --cash concentration, accounting and investment services. Swimmer said the extensive consultation process resulted in the compilation of 48 pages of 162 questions and answers about the contracting proposal. The questions and answers were included in an information packet sent to all tribal chairmen on February 8. Bidding will be open to all financial institutions for the single contract for a period of one year with four one-year renewable options. The successful bidder must be designated as a depositary and fiscal agent of the U.S. Department of Treasury.

Services in the contract; will be directed at streamlining the collection process through the Treasury's lock-box network, concentrating funds more quickly into the Treasury's accounts for investment, improving accountability and reporting to Indian beneficiaries and the government as trustee, and strengthening investment management. "This contracting for services with a financial institution will not restrict or negatively affect any existing tribal or individual Indian right, relationship or accessibility to funds," Swimmer said.

The Secretary of the Interior has been designated by Congress as the Government trustee on behalf of the beneficiaries of the trust funds. The Secretary has, in turn, designated the Assistant Secretary - Indian Affairs to manage the Indian trust funds. Collections are deposited through the banking system into Treasury accounts specified for Indian trust funds. Treasury maintains the trust fund cash accounts and disburses the funds upon Bureau of Indian Affairs (BIA) request. BIA manages investment of the funds in securities and maintains accounts to reflect tribal and individual Indian interests in funds invested and funds held by Treasury.

A copy of the RFP is being provided to each BIA Agency Superintendent. Upon receipt, the Agency Superintendent will advise the tribes of its availability and provide a copy to each tribe requesting it.

The more than $1.8 billion in trust funds --representing more than 300,000 accounts --are held in trust

by the United States for the benefit of Indian tribes or individuals. The funds represent land claims or damage awards; and income from trust lands, oil and gas revenues, timber sales and the like.

Final date for delivery of the proposals to the Department of Interior will be April 29. 1988. More information, or a copy of the RFP, can be obtained by contacting Peter Markey, Chief, Branch of Contract and Grants Operation, Bureau of Indian Affairs, 1951 Constitution Avenue, NW, Rm. 178, M8 24-8IB, Washington, D.C. 20245 (202) 343-3807.