



Demystifying the AbilityOne Program

Myths

- Myth 1: The Government must accept the price offered by the nonprofit agency
- Myth 2: Once a nonprofit agency is recommended for the work, the Government is “stuck” with that nonprofit agency forever. Compared to a commercial vendor, the AbilityOne vendor’s quality of work is not as good; the work is evaluated using a different standard; and different contract management principles apply.
- Myth 3: The Central Nonprofit Agencies (CNAs) are signatories to the contract
- Myth 4: AbilityOne vendors are not required to submit a subcontracting plan
- Myth 5: For DOD, AbilityOne contracts are exempt from CPARs
- Myth 6: Once a requirement is on the Procurement List, there is no support
- Myth 7: The Central Nonprofit Agencies (CNAs) only represent the nonprofit agencies

Agenda

- AbilityOne Program Overview
- Why AbilityOne? Bottom Line Up Front
- Myths and Facts

AbilityOne Program Overview

AbilityOne Program

Mission

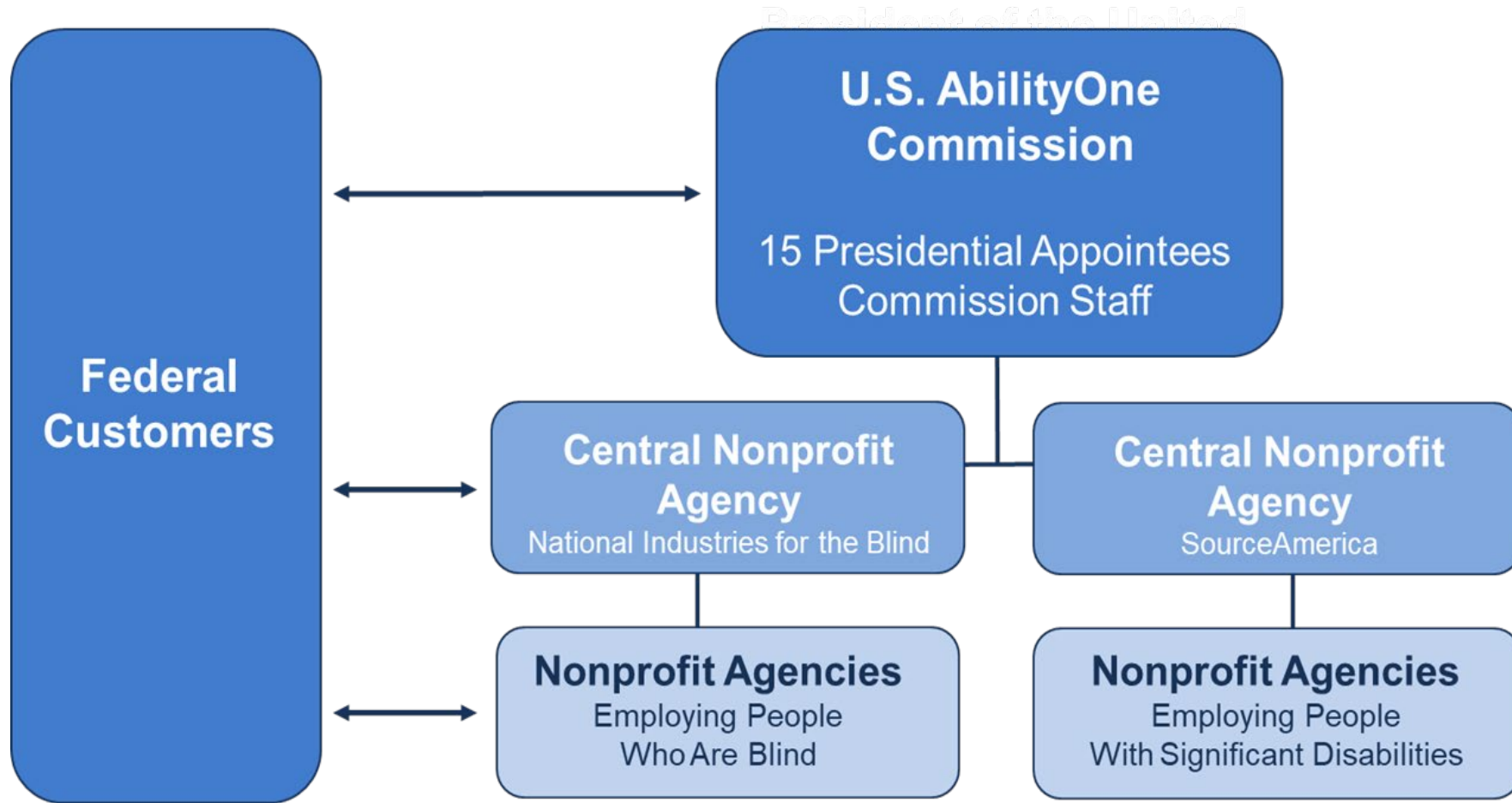
To tap America's underutilized workforce of individuals who are blind or have significant disabilities to deliver high-quality, mission-essential products and services to Federal agencies in quality employment opportunities

Vision

Remain a trusted source of supply and services for Federal agencies while creating quality employment opportunities across all economic sectors for people who are blind or have significant disabilities



AbilityOne Program Structure



AbilityOne Commission Presidential Appointees

- **Chairperson: Jeffrey Koses, GSA Senior Procurement Executive**
- **Vice Chairperson: Chai Feldblum, Private Citizen**

- **Bryan Bashin, Private Citizen**
- **Christina Brandt, Private Citizen**
- **Gabe Cazares, Private Citizen**

- **Agriculture: Malcom Shorter, Deputy Assistant Secretary for Administration**
- **Air Force: Scott Calisti, Associate Deputy Assistant Secretary (Contracting)**
- **Army: Megan Dake, Deputy Assistant Secretary (Procurement)**
- **Commerce: Virna Winters, Director for Acquisition Policy and Oversight, Office of Acquisition Management**
- **DLA: Matthew Beebe, Director of Acquisition**
- **Education: Carol Dobak, Deputy Commissioner, Rehabilitation Services Administration, Office of Special Education and Rehabilitative Services**
- **Justice: Tara Jamison, Deputy Senior Procurement Executive and Director, Office of Acquisition Management**
- **Labor: Jennifer Sheehy, Deputy Assistant Secretary, Office of Disability Employment Policy**
- **Navy: Robert Hogue, Acting Assistant Secretary (Manpower & Reserve Affairs)**
- **Veterans Affairs: Angela Billups, Executive Director, Office of Acquisition and Logistics**



Why AbilityOne?

Bottom Line Up Front

Benefits of AbilityOne Acquisition

Pre-Award

AbilityOne

- **Mandatory source of supplies and services (ref. FAR 8.7) – exempt from full and open competition in contracting (ref. FAR 6.302) – a negotiated procurement where all parties are at the table**
- Central Nonprofit Agencies conduct contractor (nonprofit agency) vendor evaluation and recommendation
- Supports category management goal to move Tier 0 contracts to Tier 2
- Demonstrated capabilities in over 800 PSC/NAIC codes
- Provides Subject Matter Expert support for developing statement of work (SOW), if requested

Post-Award

AbilityOne

- Supports your agency's pledge to AbilityOne
- Post-award support includes performance oversight and resolution support
- Once on the Procurement List (PL), there is no need to re compete
- Low employee turnover at nonprofit agencies
- Supports continuity of operations via long-term contract relationships
- Technical experts can recommend best practices seen across same Lines of Business with other Government customers

Benefit: Early Engagement with CNA

2019: The U.S. AbilityOne Commission authorizes government personnel to share procurement data with National Industries for the Blind and SourceAmerica®.

Engage early in the budget and requisition stage to fully leverage AbilityOne Program PL benefits.




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U.S. ABILITYONE COMMISSION

February 28, 2019

1401 S. Clark Street, Suite 715
Arlington, Virginia 22202

MEMORANDUM FOR FEDERAL ACQUISITION PROFESSIONALS

FROM: Thomas D. Robinson, Chairperson 

SUBJECT: Requests for Information from National Industries for the Blind (NIB), SourceAmerica¹ and American Foundation for the Blind (AFB)

The Committee for Purchase From People Who Are Blind or Severely Disabled (operating as the U.S. AbilityOne Commission; hereafter, "Commission") is a Federal agency charged with implementing a program mandated by Congress through the Javits-Wagner-O'Day (JWOD) Act, 41 U.S.C. § 8501-8506. Under the AbilityOne Program, the Commission determines which products and services procured by the Federal Government will be furnished by nonprofit agencies employing people who are blind or have significant disabilities, creating employment for this underserved population. The products and services are placed on the Commission's Procurement List, and thereafter must be purchased from sources authorized by the Commission.

The JWOD Act, at 41 U.S.C. § 8502(h) and 8503(c), authorizes the Commission to secure information needed to carry out the AbilityOne Program directly from any Federal entity, and to designate one or more central nonprofit agencies to assist it in carrying out the AbilityOne Program. The Commission has designated National Industries for the Blind (NIB), SourceAmerica, and American Foundation for the Blind (AFB) as central nonprofit agencies, and has authorized them to secure information needed to carry out the AbilityOne Program. See 41 CFR 51-3.1 and 51-3.2(c).

Myth: Government Must Accept the Price Offered by the Nonprofit Agency

Fair Market Price & Negotiations

FAR Part 8.7 and FAR Part 15

- Negotiated Procurement
 - Non-profit and Federal government engage in discussions
 - Review of NPA pricing worksheets, if requested
 - Discussions around assumptions and clarity around any outstanding issues or wrong assumptions
 - Subcontractor quotes (per AbilityOne Commission Operations Memo 21) – if requested
 - CNA supports and facilitates discussions
 - Government and Non-Profit reach price concurrence
- AbilityOne Commission Pricing Policy:
https://www.abilityone.gov/laws,_regulations_and_policy/documents/51%20620%20Pricing%20AbilityOne%20Services%20-Fixed%20Final.pdf

Responsibilities: Contracting

Federal Government Contracting Activity (CA) provides CNA (Central Nonprofit Agency) with the following, which is subsequently shared with the Nonprofit Agency (NPA):

- Draft or Final Solicitation/Request for Allocation
- Price Schedule
- Government review timeline
- Proposal analysis method (price analysis, cost analysis, IGCE, other)
- Current contract and or contract value
- Any scope changes from the current contract
- Current contract period of performance
- AbilityOne start date
- Security clearances – which could impact the timing

For products, additional information includes:

- Technical specifications (NPA direct if CUI)
- Delivery Schedule
- Quantities
- Item Name(s)

Responsibilities: Central Nonprofit Agency

CNA arranges site visit on behalf of NPA

- Attendees
 - Recommended NPA
 - CNA staff
 - Federal Contracting Activity (CA) and Program Management Offices
- Tour of the site
 - **Detailed review of PWS**
 - **Open dialogue**
 - Q&A period to create clarity on any outstanding concerns re: PWS
 - Discuss timing, schedule, and next steps
- For Products, production samples sent to Contracting Activity in some instances

Responsibilities: Nonprofit Agency

FAR/AbilityOne Price Proposal Format

1. Direct labor (Disabled Full Time Equivalent (DFTEs) and Non-Disabled Full Time Equivalent (FTEs): For Products: “direct materials,” including “waste” for Products)
2. Direct labor fringe (for Products: including losses, errors, and defects)
3. Supervisor labor
4. Supervisor fringe
5. Overhead (could include supervisor labor and fringe) – for Products: material overheads and manufacturing overheads
6. Other direct costs (equipment, supplies, subcontracts, travel, etc.)

Nonprofit Agency Price Development and Proposal

Total direct costs and overhead

- G&A
- Total costs
- Profit
- Total Negotiated Price
- CNA fee
- Fair Market Price (FMP): For Products Outbound Freight, and FOB Destination FMP, may be applicable in some instances, also FMP FOB Origin

Nonprofit Agency Price Development and Proposal

continued

NPA must provide

- Pricing methodology and market research that supports the proposed price
- Cost breakdown
- Quotes and historical information, or other documentation to substantiate proposed costs (or documentation demonstrating attempts to obtain competitive quotes)
 - Supplies
 - Equipment
- Documentation to support indirect labor costs
- Documentation to support indirect rate calculations (to include Pool and Base Details in excel format)*
- Technical Plan that supports price proposal
- Subcontractor quotes (in accordance with AbilityOne Commission Operations Memo 21)

*For products: Bill of Materials that lists all Materials, Utilization, Waste (if applicable), Cost per Unit, and Inbound Freight. Labor Operations - All labor steps to produce an item, Hours per labor step, wage rate per labor step; Indirect Costs; Profit. Under quotes, add: Raw Materials and Purchased Parts

How CNA Supports Development of FMP

- Reviews NPA cost breakdown
- Reviews NPA supporting documentation
- Reviews NPA technical plan that supports the price proposal
- Reviews NPA documentation to support indirect labor costs
- Reviews documentation to support indirect rate calculations
- Gathers industry data comparisons and other market price data such as Federal Supply rates, consumer price index, etc.)
- Confirms CNA program fee is calculated correctly
- Develops FMP proposal cover letter
- **Presents price proposal to Federal Government and support negotiations**

Price Concurrence: If Not Achieved

- In the unlikely event that price concurrence can't be achieved, the AbilityOne Commission has a policy to support this through to resolution:
 - AbilityOne Program Price Impasse (Policy 51.640)

https://www.abilityone.gov/laws,_regulations_and_policy/documents/51.640%20AbilityOne%20Program%20Price%20Impasse.pdf

Price Concurrence is Reached: What's Next?

CNA prepares submission of documentation to AbilityOne Commission (for both new Procurement List Addition or Base Year Renewal):

- Wage Determination information
- PWS/SOW changes from current PWS for existing FMP
- Quotes for Supplies, Equipment and competitive quotes for materials and outbound freight (Products)
- Subcontract quotes (in accordance with U.S. AbilityOne Commission Operations Memo 21)
- Documentation of Analysis Techniques
- The accepted/approved proposal
- All supporting information provided to the customer with the proposal
- Customer Price Negotiation Memorandums (or notes on how they evaluated the price)
- Negotiation notes
- Current price information (where applicable)
- Indirect Rate information (must include Poll and Base details and be in an excel format)

Price Concurrence is Reached: What's Next? (con't)

CNA prepares submission of documentation to AbilityOne Commission (for both new Procurement List Addition or Base Year Renewal)

- Facilitate PL Price Updates and address any Commission questions until the FMP is established
- AbilityOne Commission establishes the Fair Market Price, after negotiations and price concurrence

Myth: Once a nonprofit agency is recommended for the work, the Government is “stuck” with that nonprofit agency forever. Compared to a commercial vendor, the AbilityOne vendor’s quality of work is not as good; the work is evaluated using a different standard; and different contract management principles apply.

Contract Management: Performance and Roles

All contract management principles apply to AbilityOne contracts (no different than non-AbilityOne contracts)

Government	Nonprofit Agency	Central Nonprofit Agency
<ul style="list-style-type: none">• Issue contract• Oversee contract performance• Manage deliverables• Manage deadlines• If the contract is for a service, ensure COR appointment letters are prepared• COR follows the contract Quality Assurance Surveillance Plan as required	<ul style="list-style-type: none">• Signatory on contract• Meet contract performance requirements, terms and conditions and deliverables• Ensure customer satisfaction• Resolve any performance issues in a timely manner• Meet employment ratio requirements of the AbilityOne Program• Price proposals to support base year renewals and negotiations	<ul style="list-style-type: none">• Support and provide contract management technical assistance to NPAs and government• Facilitate/participate in partnering meetings and site/quality visits• Monitor project performance• Monitor/assist in maintaining relationship with government customers• Support base year renewals and contract negotiations

Breaking it Down Further – Resolving Issues

- Goal of AbilityOne is to keep the product or service in the AbilityOne Program. The CNAs will work with customers to ensure successful outcomes if issues arise. Contracting has the tools available to manage contracts successfully.
- Issues related to daily contract performance should be resolved between Contracting and the NPA with support from CNA
 - *Federal customers should notify both NPA and CNA immediately*
- FAR 8.705-4 Compliance with orders: if the NPA is not performing, the KO should notify the CNA and CNA will reassign to another NPA
- FAR 8.711(b): if the NPA has quality issues, the KO contacts the CNA, and CNA will support both Federal Government and NPA through to resolution
- If the issue is not resolved, the process for removal of an NPA is through a performance improvement plan (PIP)

CAP/PIP Process

Goal – Address performance concerns proactively, collaboratively, and constructively using tools including the following:

- Corrective Action Plan (CAP): Addresses concerns which could lead to performance failure.
- Performance Improvement Plan (PIP): Addresses serious performance issues endangering the contract.
 - NPA not meeting requirements at end of PIP leads to transfer to another NPA within the AbilityOne Program or Purchase Exception.

Performance Improvement Plan (PIP)

PIP: Step 1

Within 5 days of initiating the PIP, a CAP is developed to determine root (if previous CAP was not successful)

All actions and outcomes are detailed and expected to be completed within 30 calendar days of the PIP's execution

At end of 30 days an evaluation is made by SourceAmerica with input from the procuring activity as to the effectiveness of completion of actions

If all outcomes are deemed satisfactory, PIP is closed, if outcomes are deemed unsatisfactory, then Step 2 is initiated

(Timeline of 30 days may be longer for more complex requirements)



PIP: Step 2

When a PIP is escalated to Step Two, SourceAmerica notifies the AbilityOne Commission in writing of a possible recommendation to de-designate the NPA that is currently performing the work, this is done within 5 business days of the escalation to Step 2

A revised CAP is developed, and all actions detailed are expected to be completed within 30 days, unless a different timeframe is agreed to

If outcomes are deemed satisfactory, the PIP is closed. If the result is unsatisfactory Step 3 is initiated



PIP Step 3

One of the following actions will take place:

1. NPA currently performing the work is replaced with a new recommended NPA
2. A Purchase Exception may be granted
3. The project may be deleted from the Procurement List

The goal is to keep the requirement in the AbilityOne Program

**Myth: The Central Nonprofit Agencies (CNAs)
are signatories to the contract**

Signatories: AbilityOne Contracts

- The Federal Government and the NPA (vendor) are the two signatories on the contract
- It's an AbilityOne contract, not a SourceAmerica or National Industries for the Blind contract
 - Only on rare occasions are SourceAmerica or National Industries for the Blind (NIB) prime contractors
 - Federal Supply Schedule
 - SourceAmerica and NIB are the Prime Contract Holders
 - » Non-Profit Agencies are the subcontractor and perform the work
 - DoD Contract Management Services (contract closeout): NIB is the prime contractor
 - IRS Document Destruction, Nationwide Contract: SourceAmerica is the prime contractor

Myth: AbilityOne vendors (Nonprofit Agencies) are not required to submit a subcontracting plan

FAR 19.708: Contract Clauses

- AbilityOne is **not** exempt from submitting Small Business Subcontracting Plan
- AbilityOne contracts are no different than contracts with Commercial entities related to submission of Small Business Subcontracting plans

**Myth: For DOD, AbilityOne contracts
are exempt from CPARs**

DOD: CPARs

**GUIDANCE FOR THE
CONTRACTOR PERFORMANCE
ASSESSMENT REPORTING
SYSTEM (CPARS)**



December 2023

<https://www.cpars.gov/documents/CPARS-Guidance.pdf>

Reference: Page 13 of CPARs Manual

- 2.11 Awards under the AbilityOne Program Awards under the AbilityOne Program are exempt from reporting (with the exception of DoD awards) in accordance with FAR 42.1502. DoD awards under the AbilityOne Program should have annual performance evaluations completed on them if they meet or exceed the evaluation threshold in Table 1 “Business Sector, Dollar Threshold and Reviewing Official” per OSD Memorandum “Past Performance Information” dated November 27, 2007.

Myth: Once a requirement is on the Procurement List, there is no support

Support for AbilityOne Requirements

- For each project in the AbilityOne Program, there is an assigned Account Manager at the Central Nonprofit Agency (CNA)
 - SourceAmerica or National Industries for the Blind (NIB)
- We encourage partnering meetings every quarter (how things are going/what needs to be improved upon); recommended attendees:
 - Nonprofit Agency (NPA)
 - Contracting
 - COR
 - SourceAmerica/NIB Account Manager
- Regular/ongoing communication between all parties



Myth: The Central Nonprofit Agencies (CNAs) only represent the Nonprofit Agencies

CFR 51-3.2 – Each Central Nonprofit (CNA) Shall:

- (a) Represent its participating nonprofit agencies in dealing with the Committee under the JWOD Act.
- (b) Evaluate the qualifications and capabilities of its nonprofit agencies and provide the Committee with pertinent data concerning its nonprofit agencies, their status as qualified nonprofit agencies, their manufacturing or service capabilities, and other information concerning them required by the Committee.
- (c) Obtain from Federal contracting activities such procurement information as is required by the Committee to:
 - (1) Determine the suitability of a commodity or service being recommended to the Committee for addition to the Procurement List; or
 - (2) Establish an initial fair market price for a commodity or service or make changes in the fair market price.
- (d) Recommend to the Committee, with the supporting information required by Committee procedures, suitable commodities or services for procurement from its nonprofit agencies.
- (e) Recommend to the Committee, with the supporting information required by Committee procedures, initial fair market prices for commodities or services proposed for addition to the Procurement List.
- (f) Distribute within the policy guidelines of the Committee (by direct allocation, subcontract, or any other means) orders from Government activities among its nonprofit agencies.
- (g) Maintain the necessary records and data on its nonprofit agencies to enable it to allocate orders equitably.
- (h) Oversee and assist its nonprofit agencies to insure contract compliance in furnishing a commodity or a service.**

CFR 51-3.2 – Each Central Nonprofit (CNA) Shall:

- (i) As market conditions change, recommend price changes with appropriate justification for assigned commodities or services on the Procurement List.
- (j) Monitor and assist its nonprofit agencies to meet the statutory and regulatory requirements to fully participate in the program. Conduct assistance visits with its nonprofits as necessary and provide the Committee with the results and recommendations of such visits.
- (k) When authorized by the Committee, enter into contracts with Federal contracting activities for the furnishing of commodities or services provided by its nonprofit agencies.
- (l) At the time designated by the Committee, submit a completed, original copy of the appropriate Initial Certification (Committee Form 401 or 402) for the nonprofit agency concerned. This requirement does not apply to a nonprofit agency that is already authorized to furnish a commodity or service under the JWOD Act.
- (m) Review and forward to the Committee by December 1 of each year a completed original copy of the appropriate Annual Certification (Committee Form 403 or 404) for each of its participating nonprofit agencies covering the fiscal year ending the preceding September 30.
- (n) Perform other JWOD administrative functions, including activities to increase Government and public awareness of the JWOD Act subject to the oversight of the Committee.

<https://www.ecfr.gov/current/title-41/subtitle-B/chapter-51/part-51-3/section-51-3.2>

CFR 51-2.2: AbilityOne Commission Responsibilities

The Committee is responsible for carrying out the following functions in support of its mission of providing employment and training opportunities for persons who are blind or have other severe disabilities and, whenever possible, preparing those individuals to engage in competitive employment:

- (a) Establish rules, regulations, and policies to assure effective implementation of the JWOD Act.

- (b) Determine which commodities and services procured by the Federal Government are suitable to be furnished by qualified nonprofit agencies employing persons who are blind or have other severe disabilities and add those items to the Committee's Procurement List. Publish notices of addition to the Procurement List in the Federal Register. Disseminate information on Procurement List items to Federal agencies. Delete items no longer suitable to be furnished by nonprofit agencies. Authorize and deauthorize central nonprofit agencies and nonprofit agencies to accept orders from contracting activities for the furnishing of specific commodities and services on the Procurement List.

CFR 51-2.2: AbilityOne Commission Responsibilities

- (c) Determine fair market prices for items added to the Procurement List and revise those prices in accordance with changing market conditions to assure that the prices established are reflective of the market.
- (d) Monitor nonprofit agency compliance with Committee regulations and procedures.
- (e) Inform Federal agencies about the AbilityOne Program and the statutory mandate that items on the Procurement List be purchased from qualified nonprofit agencies, and encourage and assist entities of the Federal Government to identify additional commodities and services that can be purchased from qualified nonprofit agencies. To the extent possible, monitor Federal agencies' compliance with JWOD requirements.
- (f) Designate, set appropriate ceilings on fee paid to these central nonprofit agencies by nonprofit agencies selling items under the AbilityOne Program, and provide guidance to central nonprofit agencies engaged in facilitating the distribution of Government orders and helping State and private nonprofit agencies participate in the AbilityOne Program.

CFR 51-2.2: AbilityOne Commission Responsibilities

(g) Conduct a continuing study and evaluation of its activities under the JWOD Act for the purpose of assuring effective and efficient administration of the JWOD Act. The Committee may study, independently or in cooperation with other public or nonprofit private agencies, problems relating to:

- (1) The employment of the blind or individuals with other severe disabilities.
- (2) The development and adaptation of production methods which would enable a greater utilization of these individuals.

(h) Provide technical assistance to the central nonprofit agencies and the nonprofit agencies to contribute to the successful implementation of the JWOD Act.

(i) Assure that nonprofit agencies employing persons who are blind will have priority over nonprofit agencies employing persons with severe disabilities in furnishing commodities.

Questions?

Thank you

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The AbilityOne Program looks forward to your partnership to increase contract opportunities with the AbilityOne Program and employment for individuals with disabilities