

FINAL MINUTES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Thursday, November 13, 2008
9:00 am – 1:00 pm

Mr. Andrew Houghton, Committee Chairperson, called the meeting to order at 9:00 am. In accordance with Committee practice, he asked attendees to introduce themselves.

I. Swearing In Ceremony

Mr. Houghton introduced Mr. Abram Claude, Private Citizen from North Salem, New York, to the Committee. Mr. Claude will assume the vacancy left by the late Osborne A. Day. Mr. Claude said he could never replace such an icon as Mr. Day but he is excited to serve the Committee as an advocate for people who are blind. Mr. Claude has a financial background and has had a successful career as a commercial banker and counselor. Mr. Claude served many years as a National Industries for the Blind board member. Mr. Houghton administered the oath of office to Mr. Claude and officially welcomed him to the Committee.

II. Consideration of the Minutes – September 11, 2008

Mr. Houghton asked Ms. Angela Phifer, Committee Executive Assistant, if there were any changes to the September 11, 2008 minutes. She said there were no changes. Mr. James Omvig, Committee Vice Chairperson, made a motion that the minutes be accepted. His motion received a second from Mr. Robert Henke, Department of Veterans Affairs, and the minutes were adopted by unanimous vote.

III. National Disability Employment Awareness Month (NDEAM) and Other Communications Results

Ms. Stephanie Lesko, Committee Staff, reported on the 20th Anniversary of National Disability Employment Awareness Month (NDEAM) events and other AbilityOne communications efforts. Ms. Lesko said it was the vision of Ms. Tina Ballard, Executive Director, to raise AbilityOne awareness and understanding in four quadrants of the United States. The first event was held in Washington, DC at the Pentagon and was very well received by Department of the Defense leadership and well attended. For the first time in the history of the program, the Deputy Secretary served as the keynote speaker. The first Osborne A. “Oz” Day AbilityOne Awareness Award (which honors a federal agency employee or agency subcomponent for exceptional AbilityOne promotional efforts throughout the federal and local community) was presented and Mr. Day’s family attended this significant ceremony.

The second NDEAM event was held in Santa Ana, California at the General Services Administration. A local celebrity, Laurel Erickson, served as master of ceremonies.

The third NDEAM event was held in Houston, Texas at the VA Hospital. The event was attended by the 2008 E.R. “Dick” Alley Award recipient, who also spoke about working with the program for more than 30 years. Federal supporters’ spirit was very high at this event and the NIB Employee of the Year was recognized.

The fourth NDEAM event was held in Chicago, Illinois. Local celebrity Rich King served as MC. Senator Barack Obama sent a recognition letter in support of NDEAM, congratulating AbilityOne for its 70-year anniversary. Congressman Davis and other congressional staff voiced their support during the reception. Chicago Lighthouse employees (VisionQuest) sang and were well received.

Ms. Lesko said all of the events were a collaborative effort from NIB, NISH and the Committee staff. The combined NDEAM events were attended by 2,000 people.

Next Ms. Lesko gave a report on the results from various communications efforts. She said the AbilityOne Program has been featured on CNN Radio, Federal News Radio, the Pentagon Channel and NBC 4’s *Viewpoint* and ABC’s Channel 8 *Federal News Today*. There have also been stories and articles featured on various internet sites such as Forbes.com, MSNBC.com, and YAHOO Business news. Through a combined effort from television, radio, print and electronic media, more than 14 million people have heard about the AbilityOne Program.

Ms. Ballard expressed her appreciation to Mr. Robert Chamberlin, President and CEO, NISH and Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB) for their support.

Ms. Lesko thanked the Committee members who also contributed to the event. Mr. Kelly spoke at the event in Chicago and Mr. Omvig spoke at the event in Houston. Mr. Houghton attended the events in Washington, DC, California and Texas. Mr. Kelly commented that the Chicago event was very worthwhile and the employees provided great entertainment.

Mr. Chamberlin said the person from VisionQuest who sang the Star Spangled Banner memorized all the words. Mr. Lynch commented that it was beneficial to recognize both NIB and NISH employees.

Mr. Houghton said the events have had a significant impact. Mr. Houghton inquired as to how the exposure would be tracked. Ms. Angela Hartley will be leading the NDEAM efforts next year and the communications team is strategizing on a way to track return on investments. Mr. Robert Hartt, Committee staff and the Communications team continue to work on those efforts.

Mr. Houghton and Mr. Omvig expressed their appreciation to Ms. Lesko for all her hard work on the NDEAM and Communications events.

Mr. Houghton thanked Ms. Ballard for her efforts to enhance the Committee office suite and conference rooms. Mr. Paul Laird, Department of Justice/UNICOR, has been very instrumental in providing services from UNICOR to implement the AbilityOne brand.

IV. Senior Procurement Executive Meeting Report

Mr. Lou Bartalot, Committee staff, briefed the Committee on the October 16th Senior Procurement Executive (SPE) Meeting. Mr. Bartalot said a SPE meeting will be held quarterly to ensure that Mr. Shay Assad's goal of doubling AbilityOne business with the Department of Defense happens. Mr. Bartalot reviewed the agenda and the topics discussed at the meeting. He explained how sales doubled while employment grew at a much slower pace. It took 10 years for employment growth to double while sales quadrupled in the same period. The goal is to increase sales and employment at the same time. Mr. Houghton asked what lines of business generate jobs. Mr. Bartalot said service capabilities were the focus and there were discussions on traditional lines of business, emerging lines of business, and potential business lines. Mr. Stuart Hazlett, DoD provided an analysis and review. Mr. Hazlett plans to focus on products during the next meeting and hopes to complete his analysis by December.

Mr. Bartalot showed where there is plenty of room to grow business with DoD. Mr. Chamberlin said five years ago, many of the services that were discussed did not exist in NISH's lines of business. He said a lot of money has been invested in new business and there is not one right way to do the analysis. He described the facilities support services project at Ft. Bliss as an example.

Mr. House observed that jobs should be stressed. Mr. Bartalot said that point was made clear to the attendees. Mr. Houghton said increasing employment should be the strategy moving forward. Ms. Ballard said that she, Mr. Lynch and Mr. Chamberlin will sit down and talk about job increase. Mr. Houghton said Ms. Ballard's initiative will be a leading model for other agencies.

Mr. Lynch said he agrees and NIB is looking for individuals who are blind to be certified as contract specialists to meet brand new employment opportunities. Mr. Chamberlin said NISH has been looking into fleet management opportunities. Mr. Houghton said Ft. Lewis is a good example of this line of business.

Mr. Walters spoke about job creation and real opportunities. He said with a lot of budgets being cut, what will be the strategy used to create more jobs. Mr. Walters recommended that congratulatory letters be sent to the new Administration.

Education and awareness is needed regarding contract clauses. Mr. Bartalot reviewed the action items discussed at the meeting. Ms. Ballard commented that a streamlined process is needed for cradle to grave transactions. The length of time to get projects on the Procurement List is resulting in missed opportunities.

Mr. Chamberlin inquired about a letter he sent to Ms. Ballard regarding PLIMS. Ms. Emily Covey and other members of the staff are looking at the process flow. Mr. House said the

Committee should review what they looked at before and build on that. Mr. Chamberlin agreed with Mr. House and added that the economy is driving price changes. He said NISH has to have the capacity to handle the doubling goal.

Mr. Lynch said significant change is needed. He said there should be emphasis on training acquisition people on how the program works.

Mr. Bartalot said some other recommendations included looking at the Navy Seaport-e awards schedule and DCMA for contract closeout opportunities.

V. Status of Mapping Initiative

Mr. Dennis Lockard, Committee General Counsel, reported that former Committee General Counsel John Heyer has been working on the mapping project which consists of developing a map of the Committee's statutory authorities. He said Mr. Heyer is experienced with the legal process and can provide recommendations on possible changes to regulations or memoranda.

Mr. Lockard reported that Mr. Heyer will identify how the Committee's statutory authorities are developed in the Committee's regulations and numbered memoranda. Once completed, the report will be reviewed by the Governance Subcommittee before any recommendations are presented to the full Committee.

Mr. Houghton asked if there was an established timeline for the work to be done. Mr. Lockard said he hopes to have substantial progress by the December subcommittee meeting. Mr. Henke asked if there is an expected completion date for recommendations to the full Committee. Mr. Lockard said any recommendations would be initiated by the Governance subcommittee.

Mr. Kelly asked if the numbered memos were signed off by Ms. Ballard and Mr. Houghton. Mr. Lockard responded in the negative although that is one of the items being considered by the Governance subcommittee.

Mr. James House, U.S. Department of Agriculture, inquired about a budget to support the appointed members travel. Mr. Lockard said Federal members travel comes from their own agencies. He added that private citizens' travel is specified in the regulations. Mr. House asked who is responsible for signing off on travel in which Mr. Lockard responded that is the duty of the Executive Director.

VI. Litigation Update

Mr. Dennis Lockard, Committee General Counsel, gave an update on two active litigation cases pending against the Committee. The first case involves Platte River Industries in Denver, Colorado. Mr. Lockard advised that the U.S. Attorney's Office in Denver informed him that the case has been moved to another judge in the Federal District Court and, therefore, no decision is expected soon.

The second case involves Advocacy and Resource Corporation (ARC) whose case is in Federal Bankruptcy Court in Nashville, Tennessee. Mr. Lockard stated that there was a hearing on the matter at the end of October. The issue in the case is whether the decision by the Committee on a price impasse was arbitrary and capricious. All information is now with the Court and the Committee will await the judge's decision.

Mr. Houghton expressed his frustration with the length of time to resolve this case. Mr. Lockard agreed that the case has taken longer than expected but hoped a resolution would be made soon.

VII. Subcommittee Reports

Communications and Customer Satisfaction

Mr. Neil Romano, Chair of the Communications and Customer Satisfaction subcommittee, gave a presentation on best practices that lead to a quality work environment in participating nonprofits. Mr. Romano said the subcommittee met on October 10th and received excellent presentations from NISH and NIB on this topic. He said the subcommittee discussed Goal Two of the AbilityOne Strategic Plan Guidance to "promote effective stewardship, program integrity and leadership".

Mr. Romano said the subcommittee plans to refine the details of their recommendations during the December 11th meeting and then they will present recommendations to the Committee in a special vote letter. The ultimate goal will be a voluntary, self-certification process that nonprofit agencies can use to assess their own work environment. The three proposed guiding principles that will be focused on are: independence, self-sufficiency, and competitive wages.

Mr. Houghton inquired about process and measures. Mr. Robert Hartt, Committee staff, said technical assistance from NIB and NISH is needed and the Committee Compliance staff can also play a role in education regarding such best practices. Mr. Romano said if goals are set, and targets are put in place, advances in technology could help with achievement. Mr. Romano said there should be ongoing training opportunities. He said survey results showed that the more you do for employees to improve their lives, the more productivity you will get from them.

Dr. Anthony said he felt there were also some linkages to the work of the Governance subcommittee on the suitability criteria.

Mr. Houghton spoke about a recent nonprofit agency visit, where he observed the paycheck of an employee who was (legally) paid less than the Federal minimum wage. Mr. Kelly asked him how often that had happened in his travels. Mr. Houghton said he just happened to be at an agency the day they received their paychecks, and the employee showed it to him. Mr. Lockard said there are privacy concerns so it would not be standard practice to ask to see employees' paychecks during visits.

Mr. Romano said he wants to see the AbilityOne Program move into a new era regarding the philosophy of work environment, including competitive wages. Mr. Kelly suggested that the 75 percent direct labor ratio requirement be lowered. Mr. Houghton said such a change was

proposed in the Committee's legislative recommendations. Mr. Houghton expressed his concern for both the individuals involved and the program as a whole, and said a story about workers receiving a nominal paycheck would have a negative impact in the media. Mr. Walters and other Committee members discussed the extent to which Federal customers are aware of the wages paid and their expectations that the Committee is overseeing the proper payment of wages.

Mr. House said he would expect NIB and NISH to ensure that proper wages are being paid. Mr. Chamberlin said that in most cases, a commensurate wage paid in accordance with the law will exceed the Federal minimum wage. He agreed with Mr. Romano that work environment and wages for employees are very critical issues that NISH follows closely.

Mr. Houghton asked the members if they wanted to take a position on work environment best practices through a Special Vote Letter. Around the table, members indicated that they are interested in this issue moving forward and being brought to them via Special Vote Letter. Mr. Claude said that he supports the concept, but hopes the outcome does not change the program's ability to reach so many people with significant disabilities.

Ms. Ballard said the proposed FAR Part 20 has a provision included in the contract for self-certification.

Governance

Dr. Ed Anthony, Chair of the Governance subcommittee, reported that there was a meeting on October 9th to begin discussing the suitability criteria for additions to the Procurement List. Dr. Anthony stated that the subcommittee began by discussing the background and history of the suitability criteria. Dr. Anthony indicated that the discussion will continue during the December meeting. The subcommittee was tasked with reviewing the criteria and determining if any changes are recommended for action by the full Committee.

Planning and Evaluation (P&E)

Mr. James Omvig, Chair of the Planning and Evaluation (P&E) subcommittee, said there was a meeting in October during which Compliance and a policy on AbilityOne direct labor ratios and staffing were discussed. During the December meeting the subcommittee will review changes to Compliance Memo #5, which deals with AbilityOne direct labor ratios before coming to the full Committee in January with its recommendation.

Business Development

Mr. Felipe Mendoza, Chair of the Business Development subcommittee, was absent due to his attendance at a space launch. Mr. House asked Emily Covey, Committee staff, to report on the meeting held on October 9th.

Ms. Covey reported that Mr. Glenn Delgado, the OSDBU from NASA, attended the meeting as a guest speaker. She said Mr. Delgado provided the subcommittee with a measure of awareness of the AbilityOne Program within NASA small business offices. Mr. Delgado also offered

speaking opportunities at upcoming small business meetings within NASA and advised that the NASA mentor/protégé program is available for public comment.

Next, Ms. Covey reported that the subcommittee has met two of the three objectives. The subcommittee has to work on providing business intelligence into the strategic budget guidance.

Ms. Covey said the subcommittee reviewed the staff's recommendation regarding personal sales within a Base Supply Center (BSC) location and while the request has clear benefit to the customer, the Census, the subcommittee agrees with the staff recommendation that there is not a regulatory policy framework necessary to approve this type of request. This request should be placed into the mapping framework to evaluate what if any additional regulatory or policy changes may be required to approve this request in the future.

The next meeting is planned for December 11, 2008 at 1:00 – 3:00 pm.

Ms. Ballard said she thought the BSC issue would have been approved. Ms. Ballard asked if it was reviewed by an attorney. Ms. Ballard requested a meeting with the staff. Also, Ms. Ballard said Mr. Delgado should consider giving advocacy to small business offices and make sure the public appointees are on board.

Finance & Information Management

Mr. Houghton gave the Finance & Information Management subcommittee report in the absence of Mr. Tony Poleo, Chair. Mr. Houghton said they met in October and had a status update on PLIMS. He said there is good work being done by the CNAs and the subcommittee. Next, he reported that the subcommittee is looking at no fee revenue of CNAs. The CNAs collect one million in fees.

Mr. Houghton thanked Mr. Lynch for arranging a meeting with a group of BSC operators. This meeting was held at the NIB Conference in Houston, Texas. He said there were some positive discussions and Mr. Tony Poleo, DLA and Ms. Covey were in attendance. The original purpose of the BSC was to act as a distribution channel. Mr. Lynch said this issue was brought to the Committee.

VII. Status of Legislative Recommendations

Mr. Dennis Lockard, Committee General Counsel, reported that a meeting with the Committee's Senate Oversight Committee is planned for the end of October to continue discussing the proposed language. The Committee staff and CNAs continue to work together on these issues. Mr. Lockard indicated that the pending election may result in changes to the Committee's oversight committee representative and staffers.

VIII. CNA Reports

NISH

Mr. Dennis Fields, COO of NISH, reported on behalf of Mr. Robert Chamberlin who had to depart from the meeting early. Mr. Fields said NISH had a record year even though products were down. Chemical suit sales went up 13 percent and increase labor hours by eight percent.

NISH has an opportunity for new business with the State Department's passport/call center in Lansing, Michigan. This project could create 250 FTEs. Another project with secure mail that begins October 1st could employ 73 people and become a model for the Federal government.

Next, Mr. Fields discussed a basewide custodial project with NASA that also begins on October 1st. The Department of the Army will generate 16 jobs at Ft. Bragg for general administrative services. Also in progress are contacts with the Department of Public Works at Ft. Polk and Ft. Dix. There are also some construction and facilities maintenance opportunities.

NIB

Mr. Kevin Lynch, President and CEO of National Industries for the Blind (NIB), reported on NIB's recent activities. First, he reported on NIB's successful training conference in Houston, Texas. He thanked Andrew Houghton, James Omvig, and Tony Poleo for their attendance and said their presence made a huge difference. The conference was also attended by all Employees of the Year. Mr. Lynch said the NDEAM Event at the VA Hospital in Houston went very well and garnered significant media attention.

Next, Mr. Lynch reported that NIB is still finalizing the year-end numbers. He said it appears that net employment (Blind Direct Labor Hours) would be roughly six percent with sales reaching a record \$568 million in FY 2008. NIB will have a report at the January Committee meeting.

Mr. Lynch said NIB is re-launching *Opportunity* magazine, with one of the target audiences being the members of the House and Senate. He said the first issue of *Opportunity* will celebrate NIB's and the AbilityOne Program's 70th Anniversary and will feature Committee Chairperson, Andrew D. Houghton.

Mr. Lynch reported that NIB has acquired the AbilityOne.com URL and it will go live on January 1, 2009.

Mr. Houghton announced that Admiral Thompson has officially resigned from the Committee and has been promoted to Vice Admiral.

Mr. House commented that the CNAs have worked very hard according to their reports. It seems that their numbers have surpassed what was originally forecasted.

IX. Executive Director's Report

Ms. Tina Ballard, Executive Director, reported on recent activities. Ms. Ballard is planning an AbilityOne/Industry Initiative meeting on December 11th. Mr. House, Mr. Mendoza and other OSDBUs from DoD are expected to attend this meeting to better engage small business leadership with the AbilityOne Program.

Ms. Kimberly Zeich, Deputy Executive Director, reported that the draft for the Memorandum of Understanding (MOU) will be completed by November. Mr. Frank Anderson, President of Defense Acquisition University (DAU), has been a supporter of AbilityOne for many years. Mr. Henke inquired about the purpose of the MOU. Ms. Zeich responded that the MOU will cause AbilityOne to be incorporated in training materials for DAU courses and webinars.

Next, Ms. Ballard reported on several opportunities she had to broaden awareness of AbilityOne's products and services capabilities. Ms. Ballard spoke at the WUSA – Channel 9 interview held on Veterans Day and the Program Executive Officers (PEO) Symposium. Mr. Shay Assad has invited Ms. Ballard to speak at the DoD's SPE Offsite in December.

Mr. House commented that there should be incentives for large contractors to subcontract with AbilityOne. There should be inherent goodness to incorporate AbilityOne to the small business goals. Ms. Zeich said DoD prime contractors can get credit for subcontracting with AbilityOne and the staff is exploring ways to get credit for non-DoD prime contractors.

X. New Business

Mr. Houghton announced that he would like to schedule a meeting for the Executive Subcommittee in January to discuss the consolidation of subcommittees. After determining there was no further business, Mr. Houghton adjourned the meeting at 1:05 pm.

List of Attendees – November 13, 2008

Committee Members

Ed Anthony	Department of Education
Abram Claude	Private Citizen
Robert Henke	Department of Veterans Affairs
Andrew Houghton	Private Citizen
James House	Department of Agriculture
Robert Kelly	Private Citizen
Paul Laird	Department of Justice/UNICOR
Patrick Leahy	Department of Commerce
James Omvig	Private Citizen
Neil Romano	Department of Labor/ODEP
Alan Thompson	Department of the Navy
Edward Walters	Department of the Army

Committee Staff

Tina Ballard
Lou Bartalot
Patricia Briscoe
Emily Covey
Robert Hartt
Amy Jensen
Stephanie Lesko
Barry Lineback
Dennis Lockard
Connie Mehr
Angela Phifer
Patrick Rowe
Kimberly Zeich

NISH

Robert Chamberlin
Dennis Fields
Elizabeth Goodman
Jean Robinson
Barbara Van Allen

NIB

Steve Brice
Angela Hartley
Kevin Lynch
Arun Shimpi

List of Attendees – November 13, 2008 (Continued)

Government Representatives/Staffers

Chris Button	Department of Labor/ODEP
John Davey	Department of Labor/ODEP
Lisa Faleskie	Department of Agriculture
J. Vincent Gonzales	U.S. Department of the Army
Glen Savory	Department of the Air Force

Others

Ellen Brown	Goodwill
Mary Ellen Fraser	McKenna, Long & Aldridge
John Grizzel	BISM
Sharon Omgvig	Private Citizen
Mike Sebach	BISM
Buck Sharretts	BISM
Woody Van Valkenburgh	Rappahannock Goodwill Industries