



TITLE: MARKET RESEARCH FOR RECOMMENDED-FAIR MARKET PRICE

1. PURPOSE.

This document prescribes the policy for conducting successful market research to develop a Recommended-Fair Market Price (Recommended-FMP) for products and services on the AbilityOne Program® Procurement List (PL).

2. APPLICABILITY.

The policies described herein apply to the U.S. AbilityOne Commission® (Commission), Central Nonprofit Agencies (CNAs), and Nonprofit Agencies (NPAs) as well as legislative, judicial, and executive branches of the Federal Government. Non-appropriated fund instrumentalities under the jurisdiction of the Armed Forces should follow their departmental and/or agency policy and are also encouraged to comply with this policy.

3. AUTHORITY.

- (a) 41 U.S.C. §§ 8501-8506, Javits-Wagner-O’Day Act
- (b) 41 CFR Chapter 51, Committee For Purchase From People Who Are Blind Or Severely Disabled
- (c) FAR 8.002, Priorities for Use of Government Supply Sources
- (d) FAR Subpart 8.7, Acquisition from Nonprofit Agencies Employing People Who Are Blind or Severely Disabled
- (e) FAR Part 10, Market Research

4. DEFINITIONS AND ACRONYMS.

Term	Definition
Fair and reasonable price	The price that a prudent businessperson would pay for a product or service under competitive market conditions, given a reasonable knowledge of the marketplace.
Fair Market Price (FMP)	The price the Commission determines for products and services on the PL.
Loss leader	A supply or service sold at a very low price or a loss for the purpose of attracting customers.
Market research	Processes of collecting, organizing, maintaining, analyzing, and presenting available data to maximize the capabilities, technology, and competitive forces in the marketplace to meet an organization's need for supplies or services.
Recommended-FMP	The price the CNA recommends to the Commission for products and services on the Procurement List, normally certified by the designated NPA, Contracting Activity, and CNA.



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5. RESPONSIBILITIES.

- (a) The Commission has sole authority and responsibility for determining the FMP for products and services on the PL. In addition to performing review and evaluation to determine the FMP, the Commission's responsibilities include:
 - i. Obtaining information it deems appropriate from the Contracting Activity, the CNA(s), and the NPAs for review and determination of an FMP.
 - ii. Establishing and disseminating the FMP for products and services on the PL.
 - iii. Requesting audits as appropriate to determine a fair market price.
- (b) CNAs shall recommend prices to the Commission, ensuring that all parties are knowledgeable of the AbilityOne Program requirements for developing and negotiating a price for AbilityOne products and services.
- (c) CNAs shall provide technical assistance to Contracting Activities and NPAs to facilitate clarity and understanding of requirements to develop the Recommended-FMP. CNAs shall certify their concurrence with the Recommended-FMP.
- (d) Contracting Activities shall participate in developing appropriate pricing information and negotiate a price with the NPA and or CNA.
- (e) NPAs shall actively participate in the development and negotiation of the Recommended-FMP, with the assistance of the CNAs and in accordance with all AbilityOne pricing policies and procedures.
 - i. Maintain accounting records that capture, allocate, and report costs, and sales, as well as direct labor hours of individuals employed on AbilityOne contracts. The NPA will present this information when requested by the Commission.
 - ii. Perform market research and provide market data to the CNA to support the proposed Recommended-FMP.

6. POLICY.

- (a) NPA price proposals shall be evaluated using standard Federal proposal analysis techniques.
- (b) Market research shall be used to provide market price indicators and support price analysis, when available.
- (c) The AbilityOne FMP for products (including shipping costs) represents wholesale prices and shall not be compared with retail prices.
- (d) Price information reflecting inconsistent prices such as loss leaders, bargain or fire sales, and limited or one-time only sales may not be used for comparing prices for AbilityOne products or services.

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7. EXCEPTION TO POLICY.

If no commercial price information or similar existing AbilityOne product or service FMP exists, a determination of the Recommended-FMP shall be supported by detailed cost data without certification. The cost data shall be current, accurate, and complete.

8. PROCEDURES.

U.S. AbilityOne Commission Procedure 51.630-01, Market Research Procedures (Under Development)

9. SUPERSESSION.

None.



APPROVED: _____

E. Ballard
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Date: _____

10/5/15