



**U.S. AbilityOne Commission**

**Report on the 2018-2019 Competition Pilot Test  
for AbilityOne Program Nonprofit Agencies**

**Facility Support and Operations Services Contract  
Fort Bliss, Texas**

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## Executive Summary

The U.S. AbilityOne Commission prepared this report to document a review of the Commission's first pilot test of a competitive process to select an AbilityOne nonprofit agency to receive the contract for the Facility Support and Operations Services (FSOS) requirement at Fort Bliss, Texas.

The Commission conducted the pilot test from October 2018 to November 2019 with the Army's Installation Management Command (IMCOM) and Mission and Installation Contracting Command (MICC), as well as SourceAmerica, one of the Commission's designated Central Nonprofit Agencies.

This report is not designed to be a comprehensive account of competition initiatives related to the AbilityOne Program.<sup>1</sup> The review was limited to the scope of the Fort Bliss pilot test. For additional reference, the report briefly addresses a second competition pilot test, this one at Fort Meade, MD, from 2020 to 2021, which was not completed due to litigation.

The Commission's decision to conduct the pilot test resulted from recommendations by the Fiscal Year (FY) 2017 National Defense Authorization Act (NDAA) Section 898 "Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability and Integrity," as well as Army pricing concerns. The Section 898 legislation required the Panel to "recommend ways the Department of Defense and the AbilityOne Commission may explore opportunities for competition among qualified nonprofit agencies or central nonprofit agencies and ensure an equitable selection and allocation of work to qualified nonprofit agencies...."<sup>2</sup>

The Fort Bliss FSOS requirement is the largest contract in the AbilityOne Program. It covers 29 functional areas essential to the upkeep of the post including full facility maintenance services for buildings, structures, and grounds. The Army is AbilityOne's largest customer within the Department of Defense (DoD), which is the largest overall AbilityOne customer, procuring approximately \$2.3 billion in AbilityOne products and services in FY 2022.

The pilot test was the AbilityOne Program's first effort to include price as part of the evaluation criteria for selecting an AbilityOne nonprofit agency (NPA) to perform a service contract, and to recommend that NPA to the Commission for approval.

The pilot test was also designed to increase the transparency of the process for recommending an NPA to the Commission to perform work in the AbilityOne Program, and to provide transparency regarding tradeoffs between technical capability, past performance, and price.

The contract award was determined by evaluating NPA proposals using a "best value" tradeoff – specifically by evaluating technical capability, and an integrated assessment of past performance and price. In this "best value" tradeoff assessment, past performance was approximately equal to price.<sup>3</sup>

Three of the largest NPAs in the AbilityOne Program competed. The incumbent – Pride Industries, Inc., of Roseville, Calif., the largest NPA in the AbilityOne Program in terms of annual revenue – was ultimately selected as the NPA to be authorized by the Commission to perform the work consistent with the Opportunity Notice (i.e., solicitation) that SourceAmerica had issued to notify NPAs of, and request proposals for, the FSOS requirement on the Procurement List. The Army subsequently awarded Pride Industries, Inc., a contract valued at approximately \$325 million to perform the FSOS requirement over 5½ years.

The contract award of \$59.5 million per year represented a savings of \$7.2 million annually – a reduction of \$39.6 million (12%) over the performance period.

The Commission’s reasons for selecting Fort Bliss for the pilot test included the following:

- First, negotiations on a new contract had stalled between the incumbent NPA and Army, and the work was continuing through a series of contract extensions.
- Second, the Commission and Army believed the price point was high enough to draw interest from other AbilityOne NPAs.
- Third, the Commission and Army recognized that the AbilityOne Program has evolved to the point where a certain number of large NPAs possess sufficient business acumen and managerial expertise to develop competitive proposals for a project on the scale of the Fort Bliss FSOS requirement.

In addition, HQ IMCOM has a directive to develop and secure savings in its contract spend. One IMCOM objective is to create a “competitive” environment to the greatest extent possible to achieve contract savings. Requirements on the AbilityOne Procurement List are a significant portion of IMCOM’s sole source contracts. With this in mind, the Commission, HQ IMCOM, and HQ MICC agreed to work together to use competitive procedures among qualified participating NPAs under the AbilityOne Commission’s authority in accordance with the [Javits-Wagner-O’Day \(JWOD\) Act](#).

More recently, the Commission noted that its intent to provide Federal agencies access to competitive distributions also allows for the Commission to have the flexibility to approve requests and tailor execution consistent with the Commission's available resources, personnel, and the needs of the Program.<sup>4</sup>

### **Pilot Test Learning Objectives**

The pilot test was structured with the following learning objectives (outcomes and lessons learned are described in this report):

- Determine if a competitive AbilityOne process provides the “best value” for the Federal customer and meets (or exceeds) the goals of the AbilityOne Program.

- Determine the efficiency and effectiveness of adapting the SourceAmerica processes to a competitive source selection in the final recommendation of the NPA.
- Determine if AbilityOne and customer involvement in the NPA recommendation process and executing a best value trade-off improves the final authorization.
- Determine if there are sufficient NPAs that have the capability and expertise to develop a competitive proposal.

## **Background**

### **U.S. AbilityOne Commission**

The U.S. AbilityOne Commission is the operating name of the Committee for Purchase From People Who Are Blind or Severely Disabled, an independent Federal agency that oversees the AbilityOne Program. The Commission is composed of 15 Presidential appointees: 11 represent Federal agencies, and four serve as private citizens who are knowledgeable about employment barriers facing people who are blind or have significant disabilities. The Commission administers the JWOD Act, its implementing regulations, and the AbilityOne Program.<sup>5</sup>

The Commission has designated National Industries for the Blind and SourceAmerica as Central Nonprofit Agencies (CNAs) “to facilitate the distribution, by direct allocation, subcontract, or any other means, of orders of the Federal Government for products and services” on the Procurement List among qualified nonprofit agencies (NPAs) for people who are blind or significantly disabled, in accordance with the JWOD Act.<sup>6</sup>

The Commission governs its relationship with each CNA through a [cooperative agreement](#) that establishes the roles and responsibilities of each party, and includes performance metrics for the CNAs.

### **AbilityOne Program**

The AbilityOne Program facilitates the use of government procurement to provide employment in the United States for people who are blind or have significant disabilities.

- Employs more than 36,000 individuals, including more than 2,500 veterans.
- Approximately 450 nonprofit agencies nationwide operate at 1,000+ locations for 40 government agencies.
- \$3.9 billion in sales to Federal customers – \$2.3 billion in sales to the Department of Defense, the Program’s largest customer.

## **Procurement List and Mandatory Sources**

The JWOD Act authorizes the Commission to determine which products or services are suitable for sole source procurement by the Federal government, and to maintain a Procurement List of those items.<sup>7</sup> Once an item is placed on the Procurement List, only mandatory sources (i.e., authorized NPAs) may supply the product or service.

The significance of being a mandatory source is two-fold. First, Federal agencies are required to procure the listed item only from the authorized NPA identified on the Procurement List. Federal agencies are not required to follow normal competitive procedures when acquiring Procurement List items.

Second, a Procurement List addition serves as a steady stream of income for NPAs and a catalyst for job creation for people who are blind or have significant disabilities.<sup>8</sup>

Historically, an NPA authorized to serve as a mandatory source for a Procurement List item remains so for as long as the Federal agency needs that product or service. This pattern results in contract renewals that generally involve bilateral negotiations between the contracting activity and the incumbent NPA.<sup>9</sup> The Commission can remove or replace NPAs, but has rarely exercised that authority except in instances of poor performance or because an NPA was unable to continue to perform.

## **FY 2017 NDAA Section 898 “Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity” – Findings and Recommendations on Competition in the AbilityOne Program**

The primary mission of the Panel was to identify vulnerabilities and opportunities in DoD contracting within the AbilityOne Program and, at a minimum, recommend improvements in the oversight, accountability, and integrity of the Program.

Especially relevant to the Fort Bliss pilot test was the legislative requirement for the Panel to “recommend ways the Department of Defense and the AbilityOne Commission may explore opportunities for competition among qualified nonprofit agencies or central nonprofit agencies and ensure an equitable selection and allocation of work to qualified nonprofit agencies.”<sup>10</sup>

The legislation also directed the Panel to recommend actions that DoD and the Commission could take to ensure “opportunities for significantly disabled veterans and the blind and other severely disabled individuals.”<sup>11</sup>

The Panel provided four annual reports to Congress before sunset in December 2021.<sup>12</sup>

## 898 Panel First Annual Report to Congress

Submitted to Congress in July 2018, the 898 Panel First Annual Report to Congress<sup>13</sup> described seven subcommittees created to align with duties in Section 898(c).<sup>14</sup> Subcommittee six addressed acquisition and procurement, and “analyzed ways to introduce more competition in the acquisition process for the products and services among AbilityOne NPAs and CNAs; and to create a more equitable allocation process.”<sup>15</sup>

Subcommittee six identified findings, three of which were relevant to the pilot test:

- “The current process does not give the Commission adequate input and oversight into technical proposals, evaluation of NPA proposals, or pricing.”
- “CNAs use a truncated process for NPA recommendations.”
- “CNA and NPA perception that a designated NPA remain the provider of a product or service in perpetuity can erode performance, escalate prices, impact customer satisfaction and the AbilityOne Program reputation and employment.”

Based on its findings, subcommittee six identified initial recommended actions for implementation, four of which were relevant to the pilot test:<sup>16</sup>

1. Recommendations related to “designation and allocation of work” stated “Commission issues policy establishing mandatory source selection procedures that CNAs will follow” including: **“Require best value trade-off analysis process that considers price...technical capability, past performance....”** (Emphasis added.)

“Submit Source Selection Decision Document equivalent as part of the Decision Document the Commission votes on to designate work to the Procurement List.”

2. “Commission establishes policy and business rules for competition and re-competition within the AbilityOne Program.”

3. “Implement mandatory source selection procedures the CNAs will follow that require a **best value trade-off similar to other Federal source selection procedures**. ... Specifically, implement pilot tests that include DoD and Commission led evaluations and recommendations.” (Emphasis added.)<sup>17</sup>

4. “Reduce the existing gaps and deficiencies in CNAs’ processes:”

“Recommend CNA requires, in their policies and procedures, consistent use of the requiring activity’s SMEs [subject matter experts] as part of the technical evaluation [of NPAs] team.”

“Recommend that the final documentation that is submitted to the Committee [Commission] for NPA selection contain all technical, financial, and cost/price evaluations, rather than just an abbreviated version of the Recommending Authority’s decision document.”

### **898 Panel Second Annual Report to Congress**

Submitted in December 2019, the [Second Annual Report to Congress](#) reported that subcommittee six consolidated the four applicable recommendations identified above into three recommendations – specifically, from the First Annual Report to Congress, the first and third initial recommended actions listed above regarding implementing best value trade-offs in selecting the NPA were included in recommendation 15; the other two initial recommended actions listed above were included within recommendations 16 and 18.

## **Fort Bliss Facility Support and Operations Services Pilot Test**

### **Why Fort Bliss Was Selected**

The Commission’s decision to conduct the pilot test at Fort Bliss resulted from recommendations by the FY 2017 NDAA Section 898 "Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability and Integrity,” as well as Army pricing concerns.

The Commission’s reasons for selecting Fort Bliss for the pilot test included the following:

First, negotiations on a new contract had stalled between the incumbent NPA, Pride, Inc., and the Army. Work had been continuing through a series of contract extensions.

Second, the Commission and Army believed the price point was high enough to draw interest from other AbilityOne NPAs.

Third, the Commission and Army recognized that the AbilityOne Program has evolved to the point where a certain number of large NPAs possess sufficient business acumen and managerial expertise to develop competitive proposals for a project on the scale of the Fort Bliss FSOS requirement.

In October 2018, the Commission and the Army selected the Fort Bliss FSOS requirement to conduct the first competition pilot test. The Fort Bliss contract provides the garrison and all subordinate units’ full facility maintenance services including, but not limited to:

- Maintenance and repair of grounds, landscaping
- Pest control
- Repairs of surfaces areas, including roadways, parking lots, trails, culverts, gravel; maintenance of ranges, range camps, and outlying areas



- Provide a fully operational Self-Help/U-DO-IT maintenance and repair shop for military and civilian personnel
- Airfield maintenance and repair to include perimeter fencing and signs, aircraft, grounding points, snow removal, loadmaster scales, and aircraft arrestor system
- Crane and load testing
- Elevator, gates, and fence maintenance
- Emergency generator and transfer testing and repair
- Railroad and railroad signal maintenance
- Inspection and maintenance of grease traps
- Traffic signal and streetlight maintenance
- Grounding points, lightning, and cathodic maintenance
- Customer Service Center to accept Services Orders and Work Orders

### **Pilot Test Parameters**

The Commission, IMCOM, and MICC established a joint process to pilot test the use of competitive source selection procedures for the recommendation of an NPA for the Fort Bliss FSOS requirement. Parameters for conducting the competition included:

- Competition limited to NPAs within the AbilityOne Program.
- An amended version of Commission and SourceAmerica policies and procedures would govern the NPA recommendation process.<sup>18</sup>
- Pilot competition procedures would include the use of a best value trade-off among technical capability, past performance, and price.
- The evaluation team would be comprised of representatives from the Commission, SourceAmerica, and the Army.
- Establishing project milestone dates.

## **Joint Integrated Process Team**

Key participants required to execute the Fort Bliss FSOS pilot test became part of a Joint Integrated Process Team (JIPT) responsible for planning, executing, and managing the pilot test. Led by the Commission's Chief of Staff, the JIPT included representatives from the Commission staff, SourceAmerica, HQ IMCOM, HQ MICC, and Fort Bliss.

As described below, the JIPT continually sought input from interested NPAs regarding the proposed Fort Bliss requirements and how the competition would be administered.

The JIPT established the following internal guidelines:

Mutual agreement on all documents, timeframes, and communication rules with special attention to who would communicate directly with NPAs. The JIPT also established a process for communicating internally, as well as with interested NPAs, to ensure transparency and the effective and efficient execution of the acquisition. At a minimum, the JIPT met weekly throughout the duration of the competition pilot.

SourceAmerica's procedures would serve as the baseline for the NPA recommendation and selection process, with several modifications to meet the pilot test objectives. This "amended process" consisted of two related but distinct phases.

- First, SourceAmerica determined if an NPA met the overall qualifications of the AbilityOne Program and any special considerations prioritized by the Commission. This process was similar to a contracting officer's responsibility determination under Federal Acquisition Regulation (FAR) Part 9. This determination remained exclusively within the purview of SourceAmerica and the Commission staff, unlike other aspects of the pilot test.
- Second, the JIPT assessed each NPA's technical capabilities, past performance, and proposed price. While FAR Subpart 15.3 and the Army Source Selection supplement also include similar criteria, SourceAmerica's recommendation process has far fewer documentation and procedure requirements. However, the NPAs were already familiar with working with SourceAmerica staff and intake procedures, including submitting proposals.

Pilot test team used the SourceAmerica communication infrastructure to maintain contact with the NPA community. Specifically, the SourceAmerica customer portal and posting process was used to notify NPAs of the Opportunity Notice,<sup>19</sup> and provide notice of changes, extensions, and other information. This single-entry point was familiar to NPAs and the JIPT (except the Army).

The Commission, SourceAmerica, and the Army communicated on the issuance of each Opportunity Notice or posting, and agreed to the contract action, intent, and content before it was issued. The Commission's JIPT representatives approved all postings.

NPA responses to the Opportunity Notice were submitted through SourceAmerica’s customer portal.

The evaluation was conducted using the Army’s Acquisition Source Selection Interactive Support Tool (ASSIST), which permitted interactive virtual evaluations, while also enabling the evaluation team to document its evaluation findings and create applicable reports. The tool had to be modified to meet the needs of the pilot test because neither SourceAmerica nor the Commission staff would normally use ASSIST to conduct NPA proposal evaluations.

## **Fort Bliss FSOS Acquisition – Structure, Process, “Best Value” Trade-off**

### **Team Structure and Responsibilities**

The JIPT leveraged its subject matter expertise to ensure that all key aspects of the pilot were executed effectively, efficiently, on a timely basis, and in accordance with the Opportunity Notice.

**Figure 1 – Team Structure**

Role	Organization	Responsibilities
Authorizing Official	U.S. AbilityOne Commission Members (Presidential Appointees)	Responsible for selecting the NPA and establishing a fair market price based upon input from the Recommending Authority and the evaluation results.
Nonprofit Agency Recommending Authority (NPARA)	HQ IMCOM Executive Director (SES)	Responsible for providing a written recommendation report to the Authorizing Official.
Advisory Board	<ul style="list-style-type: none"> <li>• Commission Executive Director (Chair) (SES)</li> <li>• Contract Management Executive, HQ IMCOM (SES)</li> <li>• Deputy Director, HQ MICC (SES)</li> </ul>	Responsible for providing subject matter expertise and a written evaluation report to the Recommending Authority on the rank order of NPAs based upon evaluation results. Ensures evaluation was conducted in accordance with evaluation criteria and ratings were appropriately and consistently applied.
Evaluation Team	<ul style="list-style-type: none"> <li>• Commission Director of Contracting &amp; Policy (Chair)</li> <li>• Technical Evaluators: HQ IMCOM, Fort Bliss Directorate of Public Works (DPW), and SourceAmerica</li> <li>• Past Performance Evaluators: HQ MICC</li> <li>• Cost/Price Evaluators: Commission and HQ MICC</li> </ul>	Responsible for evaluating NPA proposals IAW the evaluation criteria, to include assigning an evaluation rating and documenting their evaluation findings for their respective areas (Technical, Past Performance, Price). Chair responsibilities include consolidating evaluation ratings for each area into a single evaluation report submitted to the Advisory Board for its review and concurrence or nonconcurrence.
*Acquisition Support Team	See Below	See Below

The Acquisition Support Team was composed of representatives from HQ MICC, HQ IMCOM, Fort Bliss Directorate of Public Works (DPW), and the SourceAmerica staff. Prior to issuance of the Opportunity Notice, the team was responsible for identifying, establishing, or developing the following, collectively referred to as the Purchase Request (PR) package:

- Performance Work Statement (PWS)/Technical Exhibits
- Independent Government Cost Estimate (IGCE)
- Pricing schedule
- Contract Line Item Numbers (CLINs)
- Applicable FAR clauses
- Period of performance
- Proposal instructions and evaluation criteria
- Quality Assurance Surveillance Plan (QASP)<sup>20</sup>

After finalizing the PR package, the team issued the Opportunity Notice through the SourceAmerica customer portal. Team responsibilities also included:

- Receiving the NPA proposals
- Hosting a pre-proposal conference and site visit for the NPAs
- Responding to industry questions
- Validating eligibility requirements of NPAs that submitted proposals
- Formulating contract award after authorization of the NPA by the Commission

### **Acquisition Process**

SourceAmerica reviewed the minimum eligibility qualifications, which included financial sustainability to perform contract requirements; status of any loans or any outstanding Program Fees; and AbilityOne programmatic criteria to include a review of referral networks and training plans for individuals with significant disabilities.<sup>21</sup>

**After initial eligibility was determined, proposals were evaluated for technical capability, past performance, and price. Through the technical capability proposal, the evaluation focused on organization and staffing; past performance focused on an NPA having a relevant and recent successful past performance record; and price was focused on reasonableness.**

The Appendix to this report provides pilot test acquisition milestones. The acquisition process used to execute the pilot test follows:

- HQ MICC, HQ IMCOM, and Fort Bliss DPW personnel, with input from interested NPAs, developed and finalized the PR package and forwarded it to SourceAmerica for the Opportunity Notice.
  - During PR package development, draft documents were posted on SourceAmerica’s customer portal to solicit input from interested NPAs.
  - During the issuance of the draft PR package documents, a virtual Industry Day was held with interested NPAs to ensure they had an adequate understanding of the draft documents and to clarify any issues.
  - NPA inputs were received in response to the draft documents and Industry Day.
  - In some instances, PR package documents were changed to reflect NPA inputs.
- “Best Value” tradeoff
  - The JIPT agreed on the “best value” trade-off approach and evaluation criteria before issuance of the Opportunity Notice, which included proposal instructions and evaluation criteria.
  - The contract award was determined by evaluating NPA proposals for “best value” – specifically through evaluating technical capability, and an integrated assessment of past performance and price.
  - **In this “best value” tradeoff assessment, past performance was weighted approximately equal to price.**
- HQ IMCOM, Fort Bliss DPW, and SourceAmerica coordinated dates and times included in the Opportunity Notice for conducting an Industry Day and Fort Bliss site visit with the NPAs.
- Opportunity Notice #3706 was issued by SourceAmerica through their customer portal to all NPAs.

- HQ MICC, HQ IMCOM, Fort Bliss DPW, and SourceAmerica hosted a pre-proposal conference to ensure NPAs clearly understood the requirement, proposal instructions, and best value trade-off plan.
  - Following the pre-proposal conference, Fort Bliss DPW allowed NPAs to examine some of the buildings and equipment described in the PWS, and meet with the customer personnel. Four NPAs attended the site visit.
- After the pre-proposal conference and site visit, NPAs sent written questions to the JIPT. The JIPT formally answered all questions and SourceAmerica posted all NPA questions and responses on the customer portal. In some instances, the JIPT amended the Opportunity Notice documents to reflect changes as a result of the questions.
- Proposals were received from three NPAs. The evaluation team began its evaluations against the evaluation criteria contained in the Opportunity Notice using ASSIST, which enabled team members to conduct evaluations and document findings virtually.
  - HQ IMCOM, Fort Bliss DPW, and SourceAmerica evaluated the technical responses.
  - HQ MICC and Fort Bliss DPW evaluated past performance.
  - The Commission and HQ MICC evaluated price.

The evaluation team completed its initial evaluations and documented its findings in ASSIST.

**Figure 2 – Initial Evaluation Results**

<b>Nonprofit Agency (Offerors)</b>	<b>Overall Technical Capability</b>	<b>Past Performance Confidence</b>	<b>*Initial Price Proposals</b>
<b>NPA 1</b>	Acceptable	Substantial	\$325,862,890
<b>NPA 2</b>	Acceptable	Satisfactory	\$366,444,561
<b>NPA 3</b>	Unacceptable	Limited	\$411,867,222

\*Includes the 6-month contract extension of services (therefore, the price reflects a total of 66 months of performance).

- On 24 September 2019, the Evaluation Team completed their final evaluations and documented their technical, past performance and price evaluation findings in ASSIST. The Evaluation Team Chair consolidated the individual reports into a single Evaluation Team report.

- On 2 October 2019, the Evaluation Team briefed the Advisory Board on the evaluation team’s findings. In the best value ranking of offerors, the Team found that NPA 1 had the highest rated proposal among the offers received. The Advisory Board concurred with the evaluation team’s evaluation results and forwarded the evaluation results to the NPA Recommending Authority (NPARA). Additionally, the Advisory Board provided a briefing to the NPARA on the nomination of NPA 1 to the Authorizing Official. The NPARA concurred with the evaluation results. The NPARA prepared the recommendation document (NPARD), along with the evaluation results, and forwarded it to the Commission for submission to the Authorizing Official.
- The Commission staff prepared and sent the Decision Document to the Authorizing Official (the Commission Members) for voting on the recommendation and completing the authorization process (NPA selection). The Decision Document included the NPARD and other applicable documents that formed the Commission record.
- On 15 November 2019, the Authorizing Official (the Commission Members) voted and authorized NPA 1, Pride Industries, Inc., to perform the work consistent with the Opportunity Notice, and established the Fair Market Price. The Commission was largely able to rely on the results of the competitive procurement process to support the validity of the Fair Market Price. This was a significant departure from prior practices, which relied on sole source, bilateral negotiations between the Federal customer and the incumbent NPA.
- The Army subsequently awarded Pride Industries, Inc., a contract valued at approximately \$325 million to perform the FSOS requirement over 5½ years.
- The new contract performance period began on December 1, 2019.

## **Learning Objectives, Outcomes, Lessons Learned**

Part of the intent of the pilot test was to create a replicable competitive process for selecting NPAs on service contracts. To gauge the success of the pilot test and assess lessons learned, the JIPT developed the following four learning objectives, listed below with outcomes and lessons learned.

**Learning Objective 1: Determine if a competitive AbilityOne process provides the “best value” for the Federal Customer and meets (or exceeds) the goals of the AbilityOne Program.**

### Outcomes

Competing the Fort Bliss requirement on the Procurement List among the NPAs resulted in a contract award of \$59.5M per year, a savings of \$7.2M per year (\$39.6M over the entire performance period of 66 months) or a 12% reduction. It was not possible for the JIPT to

determine exactly where all of the contract price savings came from because the NPAs were not required to submit detailed cost breakdowns within their price proposals.

SourceAmerica retained the principal role for assessing AbilityOne Program-specific objectives. For instance, the Opportunity Notice included [FAR Clause 52.222-17, Nondisplacement of Qualified Workers](#), which stated that NPAs in good faith must offer predecessor employees the right of first refusal for employment under the new contract. SourceAmerica also ensured that the impact of the new contract would not adversely affect ratio requirements, and that the NPA's referral networks and training plans were up to date and consistent with the goals of the Program.

### Lessons Learned

In future procurements, SourceAmerica should retain a similar role to ensure that the objectives of the JWOD Act, Commission policies, and special considerations are properly considered before an NPA is evaluated under a price-inclusive competitive process.<sup>22</sup> This will help to avoid a "race to the bottom" as NPAs look for ways to cut costs, remain competitive, and achieve the employment objectives of the AbilityOne Program.

## **Learning Objective 2: Determine the efficiency and effectiveness of adapting the SourceAmerica processes to a competitive source selection in the final recommendation of the NPA.**

### Outcomes

The pilot test produced a 50% decrease in the Procurement Administrative Lead Time (PALT) – i.e., the amount of time required to complete the actions leading to contract award.

The pilot test PALT of 184 days was half of the HQ IMCOM and MICC PALT goal of 365 days for acquisitions exceeding \$50 million. It was also lower than MICC's average PALT of 405 days for base operations requirements.

The importance of reducing PALT cannot be overstated due to the significant resource savings to the requiring activity and contracting activity. For example, on a previous contract renewal involving an AbilityOne-participating NPA, negotiations on price alone were stalled for eight months (240 days).

### Lessons Learned

Policies and processes adapted from SourceAmerica streamlined the recommendation process as compared to the usual FAR-based process.

While reducing the administrative burden on the Federal customer (see previous references to shortening the Army's PALT), the pilot test required a heavy commitment by at least eight of the 32 Commission staff members. The Commission does not have the organic resources to pursue this approach in a widespread systematic manner.



Related to that point, the 898 Panel noted the following in its Fourth and Final Annual Report to Congress submitted in December 2021: “A consistent finding in each of the Panel reports is the limited resources in funding and staffing available to the U.S. AbilityOne Commission. The Panel continues to find there is a need for Congress to appropriate sufficient funding for the U.S. AbilityOne Commission...to successfully carry out its responsibilities related to the comprehensive oversight and compliance of the AbilityOne Program and to continue to implement the recommendations of the Panel and the U.S. AbilityOne Commission Office of Inspector General (OIG)...”<sup>23</sup>

More recently, the Commission noted that its intent to provide Federal agencies access to competitive distributions also allows for the Commission to have the flexibility to approve requests and tailor execution consistent with the Commission's available resources, personnel, and the needs of the Program.<sup>24</sup>

**Learning Objective 3: Determine if AbilityOne and customer involvement in the NPA recommendation process and executing a best value trade-off improves the final authorization.**

Outcomes

Involving Commission staff and the Federal customer (Army) in the NPA recommendation process provided new and valuable subject matter expertise otherwise unavailable, increased customer buy-in and support, and significantly improved the results of the final NPA authorization. This new process also added a degree of transparency not achievable in the standard CNA process for recommending an NPA to the Commission to perform work on the Procurement List.

Lessons Learned

Incorporating Commission staff into the recommendation process provided greater Commission input and oversight regarding evaluation of NPA proposals, and aligned with the legislative mandate of the Panel that DoD and the Commission “explore opportunities for competition among qualified nonprofit agencies or central nonprofit agencies and ensure an equitable selection and allocation of work to qualified nonprofit agencies....”<sup>25</sup>

**Learning Objective 4: Determine if there are sufficient NPAs that have the capability and expertise to develop a competitive proposal.**

Outcomes

NPAs have the capability and expertise to submit proposals that are responsive, technically sound, provide a good and substantial past performance record, and contain prices that are fair and reasonable.

Two of the three NPA proposals were technically acceptable, and regarded as high caliber products from professional organizations.

## Lessons Learned

The Industry Day and site visit were important to the process and attracted far more interest than the numbers of proposals ultimately received -- not uncommon for an acquisition of this size and complexity, but worth noting for this first competition pilot test. The information exchanged during those events provided insights that the NPAs can use to prepare their organizations for future competitive efforts that the government may choose to undertake.

## **Post Hoc Actions**

### **Fort Meade Facility Maintenance and Repair Services Pilot Test**

In May 2020, the Commission initiated a second pilot test, this one with the Fort Meade Facility Maintenance and Repair Services contract, to determine if results similar to the Fort Bliss pilot test could be replicated. Following the same modified Commission and SourceAmerica policies and procedures, the Fort Meade pilot test was executed up to point of NPA recommendation and approval by the Commission. Four NPAs competed.

However, the Fort Meade requirement did not receive final approval because the incumbent NPA successfully protested the use of the pilot test in the Court of Federal Claims.<sup>26</sup> In May 2021, the Court ruled that the Commission could not introduce price competition into the recommendation process without amending its existing regulation (specifically CFR 51-2.7). Nevertheless, pilot test results similar to Fort Bliss would have been achieved at Fort Meade if the acquisition had been fully executed. Those results were as follows:

- The Fort Meade Facility Maintenance and Repair Services contract at the time was valued at \$19.6 million per year. If permitted to go forward, the new price would have been \$16.8 million per year, a savings of \$2.8 million per year (\$14 million over the five-year performance period) or a 17% reduction.
- The Fort Meade Opportunity Notice was posted in SourceAmerica's portal on 15 July 2020. The Commission was prepared to select the NPA in January 2021. The resultant PALT would have been approximately 180 days – like Fort Bliss, approximately 50% lower than the Army's goal of 365 days, and well under the HQ MICC average of 405 for awarding base operations requirements.

## Appendix: Pilot Test Acquisition Milestones

<u>DATE</u>	<u>ACTION</u>
15 April 2019	Informational Session notice issued
30 April 2019	Draft Opportunity Notice (ON) #3674 with Performance Work Statement (PWS) and Milestone Plan notification of NPA virtual Industry Day issued
7 May 2019	NPA virtual Industry Day
17 May 2019	Notification of Site Visit
28 May 2019	Notification of delay in issuing Final Opportunity Notice
11 June 2019	Notification of 19 June 2019 Site Visit
12 June 2019	Final Opportunity Notice #3706 issued
19 June 2019	Pre-proposal Site Visit at Fort Bliss
16 July 2019	Notification sent that NPA questions under review
20 June to 31 Jul 2019	Commission, Army, and SourceAmerica responded to 463 NPA questions
31 July 2019	Revised Opportunity Notice #3706 posted with closing date of 23 August 2019
22 August 2019	Suspended Opportunity Notice #3706 due to GAO protest
23 August 2019	Extended closing date to 28 August 2019
3 September 2019	Opportunity Notice evaluation commenced
19 September 2019	Communication request sent to NPAs
24 September 2019	Response to Communication request and revised proposals received
8 October 2019	Briefed Advisory Board on FSOS requirement
18 October 2019	NPA Recommendation to Commission to authorize NPA to perform work on Fort Bliss; Fair Market Price recommended to Commission for approval
15 November 2019	Commission authorized NPA to perform work, and established Fair Market Price
15 November 2019	Following Commission approval, SourceAmerica notified NPAs about the NPA selected for FSOS requirement
18 November 2019	Army received Commission approval to award contract

## **Glossary**

ASSIST: Acquisition Source Selection Interactive Support Tool

CLIN: Contract Line Item Number

CNA: Central Nonprofit Agency (in the AbilityOne Program)

CPARS: Contractor Performance Assessment Reporting System

DoD: Department of Defense

DPW: Directorate of Public Works at Fort Bliss

FAR: Federal Acquisition Regulation

FMP: Fair Market Price

FSOS: Facility Support and Operations Services

IGCE: Independent Government Cost Estimate

IMCOM: U.S. Army Installation Management Command

JIPT: Joint Integrated Process Team

JWOD Act: Javits-Wagner-O'Day Act

MICC: U.S. Army Mission and Installation Contracting Command

NDAA: National Defense Authorization Act

NIB: National Industries for the Blind

NPA: Nonprofit Agency (in the AbilityOne Program)

NPARA: Nonprofit Agency Recommending Authority

NPARD: Nonprofit Agency Recommendation Document

PALT: Procurement Administrative Lead Time

PR: Purchase Request

PWS: Performance Work Statement

QASP: Quality Assurance Surveillance Plan

SES: Senior Executive Service

USC: United States Code

## Endnotes

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<sup>1</sup> The pilot test review was completed in accordance with [Appendix E](#) of the 2017 National Defense Authorization Act (NDAA) Section 898 Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity (898 Panel) Second Annual Report to Congress, issued in January 2020.

<sup>2</sup> [2017 NDAA Section 898](#)

<sup>3</sup> See [FAR 2.101 Definitions](#): “Best value means the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement.”

<sup>4</sup> U.S. AbilityOne Commission, [Notice of Proposed Rulemaking: "Supporting Competition in the AbilityOne Program."](#) Federal Register, March 13, 2023.

<sup>5</sup> 41 USC §§8501–8506

<sup>6</sup> U.S. AbilityOne Commission [Policy 51.301](#) “Selection of Nonprofit Agencies for Assignment and Order Allocation,” paragraph 6(b): “CNAs are not required to follow the competitive procedures prescribed by or like those in the Federal Acquisition Regulation (FAR) when selecting NPAs for assignment or allocation.” The policy defines allocation as “Distribution of orders by the CNA(s) for items on the Procurement List among multiple NPAs that have been designated by the Committee to fulfill that particular product or service requirement. Allocation of a product or service occurs when the product or service is placed on the Procurement List as determined by the Commission.”

<sup>7</sup> U.S. AbilityOne Commission [Policy 51.102](#) (Definitions) defines the Procurement List: “A list of commodities (including military resale commodities) and services the Committee has determined suitable to be furnished to the Government by nonprofit agencies for the blind or nonprofit agencies employing persons with significant disabilities pursuant to the JWOD Act and associated regulations.”

<sup>8</sup> For an NPA to provide goods or services on the Procurement List, the NPA must meet the JWOD Act conditions described at 41 USC §8501, including paragraph 6, part (C):

“that in the production of products and in the provision of services (whether the products or services are procured under this chapter) during the fiscal year [an NPA] employs blind or other severely disabled individuals for at least 75 percent of the hours of direct labor required for the production or provision of the products or services.”

<sup>9</sup> The CNAs may also play a substantive role in contract negotiations if the parties have difficulties agreeing on specific terms.

<sup>10</sup> [2017 NDAA Section 898\(a\)\(2\)\(c\)\(6\)](#)

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<sup>11</sup> [2017 NDAA Section 898\(a\)\(2\)\(c\)\(3\)](#)

<sup>12</sup> [2017 NDAA Section 898\(i\)\(2\)](#)

<sup>13</sup> 898 Panel [First Annual Report to Congress](#), p. 22.

<sup>14</sup> [2017 NDAA Section 898\(c\)](#)

<sup>15</sup> 898 Panel [First Annual Report to Congress](#), p. 22

<sup>16</sup> [Ibid](#), p. 23. Initial recommendations from the subcommittee also included “Commission establishes policy and business rules for competition and re-competition within the AbilityOne Program. Transfer or compete work for marginal or poor performance, require Commission approval. Protect direct labor employees who are blind or significantly disabled during transfer/recompete process. Establish a process that provides “Right of First Refusal” to the existing workforce when an incumbent NPA is replaced through competition or otherwise.”

<sup>17</sup> This initial recommended action also states, “The objective is to improve Commission oversight prior to the evaluation when recommendations are made to the Commission.”

<sup>18</sup> U.S. AbilityOne Commission regulations are found at 41 CFR 51.

<sup>19</sup> An Opportunity Notice is similar to a solicitation under FAR Part 5.

<sup>20</sup> FAR Clause [52.222-17](#), Nondisplacement of Qualified Workers, was included in the Opportunity Notice.

<sup>21</sup> For information about Program Fees, see U.S. AbilityOne Commission [Policy 51.302](#), Collection and Utilization of Program Fees by Designated Central Nonprofit Agencies.

<sup>22</sup> Regarding “special considerations,” see U.S. AbilityOne Commission [Policy 51.301](#), Selection of NPAs for Project Assignment and Order Allocation.

<sup>23</sup> 898 Panel [Fourth and Final Annual Report to Congress](#), issued Dec. 2021, p. 7.

<sup>24</sup> U.S. AbilityOne Commission, [Notice of Proposed Rulemaking: "Supporting Competition in the AbilityOne Program."](#) Federal Register, March 13, 2023.

<sup>25</sup> [2017 NDAA Section 898\(c\)\(6\)](#)

<sup>26</sup> See generally [Melwood Horticultural Training Center, Inc. v. United States](#), 153 Fed. Cl. 723, 737 (2021)