

**U.S. AbilityOne Commission
Minutes – Quarterly Public Meeting**

**Thursday, October 12, 2023
1:00 p.m. – 4:00 p.m. ET**

I. Call to Order and Introductions

U.S. AbilityOne Commission Chairperson Jeffrey Koses called the meeting to order at 1 p.m. and greeted the over 220 participants attending via Zoom.

Commission Executive Officer Angela Phifer gave administrative remarks. She noted that two American Sign Language interpreters would interpret, and that the meeting was being live captioned.

Commission members and Commission staff introduced themselves.

II. Consideration of Minutes

Minutes from the July 13, 2023, virtual public meeting were approved.

III. Chairperson Opening Remarks

Commission at Full Strength

Koses observed that the Commission had reached its full complement of 15 Presidential appointees for the first time in years. He said the full-strength Commission is a vote of confidence in both the AbilityOne Program and the Commission’s steps to modernize it.

Public Engagement

Koses said the Commission participates in public engagement to listen, learn, and build understanding of the Commission’s strategy and actions. He mentioned recent avenues of public engagement including:

SourceAmerica Grassroots Advocacy Conference

Koses, Commission Vice Chairperson Chai Feldblum, Commission member Megan Dake, and Executive Director Kim Zeich spoke at the SourceAmerica Grassroots Advocacy Conference in September. Other Commission staff also attended. While there, they heard from self advocates. The conference was a reminder of why AbilityOne is important and how many lives it touches, Koses said.

NIB/NAEPB Empower Training Conference and Expo

Koses said Feldblum, Dake and Zeich had attended the Empower Training Conference and Expo, held Oct. 9-13 by National Industries for the Blind (NIB) and National Association for the Employment of People Who Are Blind (NAEPB). Koses extended the Commission's best wishes to conference attendees.

Public Engagement Sessions at Public Meetings

The Commission includes a public engagement session at each public meeting. For example, the public engagement session at the January 2023 meeting was about contract performance.

Throughout the past year, the Commission has spoken widely and frequently about the importance of contract performance. It is essential that performance remain high on the list of Program priorities, Koses said.

Highlights of FY 2023

Koses mentioned some major Commission actions from FY 2023, including:

Legislative Proposals

On April 13, 2023, the Commission sent Congress 3 [legislative proposals](#) to amend the Javits-Wagner-O'Day (JWOD) Act. Since then, the Commission has held meetings with various committees and has been available for discussions, questions, and technical assistance.

Competition Rule

In the area of rulemaking, competition has been a major priority, Koses said. The Commission continues to carefully consider the feedback it has received as it refines the [competition rule](#).

The proposed rule was the subject of the [public engagement session](#) at the July 13, 2023, public meeting. The session was in response to requests from the AbilityOne nonprofit agencies (NPAs) for more discussion of the issue.

End of Subminimum Wages in AbilityOne

Koses observed that it had been one year since the rule prohibiting subminimum wages on AbilityOne contracts took effect.

As of the end of FY 2023, the rule has been fully implemented among the AbilityOne-participating NPAs that previously held special certificates authorizing payment of subminimum wages. Every person employed through the Program now receives at least minimum wage.

That milestone exemplifies the Commission’s ongoing theme “Promises Made, Promises Kept,” Koses said.

Draft Compliance Policies

As part of implementing the strategic plan, the Commission released three draft compliance policies in early 2023 and continues to consider the feedback it received, Koses said.

ABORs

AbilityOne Representatives (ABORs) are champions for the Program within Federal agencies. They increase awareness and understanding of AbilityOne and create opportunities for people who are blind or have significant disabilities.

There are currently ABORs in 21 Federal agencies, plus an additional 7 at DoD components.

Koses said the Commission had recently hired an ABOR Program Manager, Rosa Criggedorn.

Investing in the Future of AbilityOne

Koses said the Commission is investing in the future, including through two contracts awarded in September:

Contract to [update PLIMS](#) – the Procurement List Information Management System.

PLIMS, the AbilityOne Program’s digital backbone, is 15 years old. An investment from the Technology Modernization Fund made it possible for the Commission to award a contract to update PLIMS.

Contract to [develop career planning supports](#) for the AbilityOne Program.

The Commission has been very public about its intent and work in this direction, Koses said. He noted that the work aligns with the strategic plan and modernization of compliance policies.

Koses concluded his opening remarks.

IV. Award Presentation to Chief Financial Officer George Govan

Koses presented a new award, the Chairperson’s Meritorious Service Award, to George Govan, the Commission’s departing Chief Financial Officer.

Govan joined the Commission as its first CFO in fall 2020 and went on to advance effective stewardship at the agency.

V. NDEAM Highlights

Commission member Jennifer Sheehy, who is Deputy Assistant Secretary at the U.S. Department of Labor’s Office of Disability Employment Policy, gave a presentation on National Disability Employment Awareness Month, including recent trends in disability employment.

VI. Regulations & Policy Subcommittee Update

Feldblum, who chairs the Commission’s Regulations & Policy Subcommittee, gave an [update](#) on its ongoing and recent work.

VII. Minimum Wage Rule Update

Commission private citizen member Chris Brandt said the end of subminimum wages in the AbilityOne Program was a cause for celebration – a step that propels the Program forward toward modernization and long-term viability.

The step recognizes the reality that “every day, people with significant disabilities, including those with intellectual and developmental disabilities, are proving they can contribute to an employer's bottom line without being paid less than others in their workplace,” she said. “Every day, businesses are recognizing the value of a truly diverse workforce that includes people with all identities and all characteristics.”

VIII. Executive Director Report

Executive Director Kim Zeich gave a [report](#), including on:

- How the Commission is increasing ability and capacity in several areas with new hires
- Key activities of FY 2023

As part of the Executive Director Report, Commission Acting Deputy Executive Director Amy Jensen gave a [progress report](#) on strategic plan implementation in FY 2023.

IX. Presentation by Deputy Inspector General

Deputy Inspector General Steven Burke provided an [update](#) on Office of Inspector General activities.

X. Update on NSITE and Placements

Kevin Lynch, President and CEO of National Industries for the Blind (NIB), and Jonathan Lucas, Executive Director, NSITE, gave [updates](#).

XI. SourceAmerica Initiatives in Support of the Strategic Plan

Richard Belden, President and CEO of SourceAmerica, gave an [update](#).

XII. Public Engagement: Commission Guidance to CNAs Regarding Assignments to NPAs for New Contract Work

The Federal Register [notice](#) for the meeting had invited discussion on modernizing the guidance for project development assignments and order allocations for nonprofit agencies participating in the AbilityOne Program. The discussion topic was selected to support the future update of Commission Policy 51.301, “Selection of Nonprofit Agencies for Project Assignment and Order Allocation.”

Background and Context

Executive Director Zeich provided [background and context](#) on Policy 51.301.

She said Policy 51.301 is guidance that speaks to one of the main duties that the Central Nonprofit Agencies (CNAs) have, according to the [Javits-Wagner-O’Day Act](#).

Panel

Jensen introduced the panelists and moderated.

Jeff Dolven, President and CEO, Skookum

Dolven said that, having spent 19 years in the AbilityOne Program, he finds the current policy to be very rigorous. NPAs need to bring their “A game,” he said. He believes that the process has grown more rigorous over time.

As the AbilityOne Program has matured, the smaller NPAs have had more and more difficulty competing, he said. He recommends looking at ways to address that issue, such as through mentor/protégé programs.

John McKeever, Branch Chief, Office of Acquisition Management Services, U.S. Department of Health and Human Services

McKeever said that he believes in AbilityOne, but had been asked to discuss an experience that had not gone as smoothly as desired.

The experience involved a facilities maintenance contract in D.C. The leadership at McKeever's agency wanted to move away from the contractor then in place (a corporation), so McKeever and his colleagues explored an AbilityOne solution. But things didn't advance as swiftly as needed, and there were communications issues. Ultimately, his agency did not go with AbilityOne, but McKeever said he was open to AbilityOne solutions in the future.

Dennis Edwards, Executive Director, Rising Star Resource Development Corporation

Rising Star is a small NPA in Dallas with revenue of about \$3 million, Edwards said. Between 2013 and 2022, Rising Star has responded to about 40 opportunity notices (ONs), of which 5 were awarded to Rising Star.

Responding to an ON requires a big commitment of resources and capital, he said. Rising Star's typical response to an ON costs about \$6,000 and requires several members of the Rising Star team to focus just on the submission. Rising Star is often told that its past performance is insufficient for the award of a contract, even though the NPA recommendation authority could find little to nothing wrong with the submission package, Edwards said.

He thinks the NPA recommendation process needs to incorporate a mentor/protégé component to allow small NPAs to grow and provide benefits to the Program.

Dan Kelly, President and CEO, IFB Solutions

Kelly, who is blind, worked for several years at NIB. He has participated in the assignment and allocation process from both the NPA and NIB perspective.

He cautions against a top-down approach. He said that NPAs are subject matter experts: They know their own capabilities and can be responsive with their own data.

He fears that competition might stifle innovation at NIB and thereby decrease jobs, since there will be less incentive to innovate if there's a chance that a new innovative opportunity might go elsewhere through competition.

He recognizes that there are small agencies that need NIB business development allocation support. He suggests placing less emphasis on past performance and also reducing the administrative and competitive burden.

Charlotte Hammond, President & CEO, Challenge Unlimited

Hammond discussed the difficulty of reconciling Executive Order 14055 (Nondisplacement of Qualified Workers Under Service Contracts) with the need to provide plans in the NPA recommendation process for maximizing direct labor hours.

Vincent Sanchez, AQM Deputy Director, Office of the Procurement Executive, Department of State

Sanchez said he believes in AbilityOne but has experienced frustrations in pursuing AbilityOne solutions. He was involved in awarding a large third-party logistics provider contract, and it took three years to get it on the Procurement List (PL). The timeline was delayed by issues with pricing, as well as a protest. He said he had to be tenacious and creative to get the customer what they needed while the award worked its way through the AbilityOne process. He supports streamlining and modernizing processes.

Dwight Davis, President, Alliance for Expanding America's Workforce

Davis, who also is the president of Global Connections to Employment (GCE), acknowledged that the PL process can be time-consuming and out of sync with the needs of government and NPAs.

He says he and other Alliance members have seen a lack of process standardization both in the AbilityOne Program and at SourceAmerica. There seems to be a reinvention of the wheel with every PL addition submission, he said.

There is also a perception that Commission resources are more focused on compliance than procurement, he said.

He also discussed KPIs and metrics; the implications of draft Policy 51.405; the amount of PL-addition content that SourceAmerica delegates to the NPAs; and what he perceived as a counterproductive firewall between the NPA and the customer during the PL-addition submission process.

Finally, he suggested the formation of a working group to streamline efficiency within the PL addition process. The Alliance is ready to help, he said.

Michael Hatzenbeler, President & CEO, PROVAIL

PROVAIL provides services to children and adults with disabilities in Seattle. It was a producing NPA for many years but is no longer in the AbilityOne Program.

While in the Program, it had a small manufacturing contract. PROVAIL valued the stability that an AbilityOne contract offered, but as time went on, the increased technical complexity of the manufacturing work required a higher-skilled workforce, and it was a struggle to balance that with the AbilityOne ratio.

Additionally, he said, the ratio created a disincentive to encourage workers' outward and upward mobility, and made it difficult to pursue integration. The ratio also created complexity that made it hard to pursue partnerships with for-profit entities.

Questions from Commission Members

Koses asked Sanchez and McKeever to expand on the delays they had experienced while pursuing AbilityOne solutions.

McKeever said the challenges included SourceAmerica's selection of an NPA, and then (because of perceived delays in the provision of information) a different NPA, resulting in a protest.

Sanchez said the challenges included turnover in his SourceAmerica contacts and an issue with getting information to the Commission to meet its decision-making time frame. He says Small Business Administration procedures might be worth looking at.

Koses asked the NPA leaders to give more detail on the costs of pursuing an opportunity under the current iteration of Policy 51.301.

Kelly estimated that the cost of pursuing opportunities amounted to 1% of annual revenue. The costs increased with more layers of government review, he said.

Dolven said the cost varies according to the complexity of the proposal, but he estimated that the cost runs to around \$100,000 per proposal for sophisticated PL additions.

Hammond said that for a mid-sized organization like hers, submitting proposals is a "heavy lift" that can run up to \$20,000 when proposal writers and other factors are included.

Davis said a lot of ONs have very short timelines, which adds to the challenge.

Belden said a topic of discussion has been whether it would be possible to scale opportunity notices for smaller-dollar opportunities so that smaller NPAs would find it easier to apply.

Edwards said the idea of mentor-protégé programs was relevant to the discussion.

Feldblum picked up on Davis's comment about the perception that Commission resources are more focused on compliance than procurement. She assured him that would not be the case.

Feldblum also wondered how it would work if a CNA brought multiple NPAs to the table during the process. McKeever said the process is already cumbersome and he would prefer to work with just one NPA.

Sanchez said contracting officers and contracting specialists can be misinformed or not informed about how AbilityOne works, or may have heard bad press about the Program.

Koses asked Zeich to talk about the Commission's role in the process. She said the decision as to which NPA will have Commission authorization to perform a work is a Commission decision, and the Commission often requires a lot of supporting documentation. Before a proposal gets to

the Commission, it is a recommendation developed by a CNA, including a recommended price. The Commission's guidance should be as clear, efficient, and effective as it can be, she said.

XIII. Concluding Remarks

Koses thanked all participants and adjourned the meeting.

Meeting Attendees

Over 220 people attended, including:

Commission Members

Jeffrey Koses, Chairperson	General Services Administration
Chai Feldblum, Vice Chairperson	Private Citizen
Chris Brandt	Private Citizen
Scott Calisti	Department of the Air Force
Gabe Cazares	Private Citizen
Megan Dake	Department of the Army
Carol Dobak	Department of Education
Robert Hogue	Department of the Navy
Tara Jamison	Department of Justice
Jennifer Sheehy	Department of Labor
Malcom Shorter	Department of Agriculture
Virna Winters	Department of Commerce

Scheduled Speakers

Richard Belden, President and CEO, SourceAmerica

Kevin Lynch, President and CEO, National Industries for the Blind

Dwight Davis, President, Alliance for Expanding America's Workforce

Jeff Dolven, President and CEO, Skookum

Dennis Edwards, Executive Director, Rising Star Resource Development Corporation

Charlotte Hammond, President & CEO, Challenge Unlimited

Michael Hatzenbeler, President & CEO, PROVAIL

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