



U.S. AbilityOne Commission Quarterly Public Meeting

July 13, 2023





Administrative Remarks

- This official meeting of the U.S. AbilityOne Commission is open to the general public and is being recorded
- ASL interpreters are pinned to the top of the Zoom screen; live captioning is enabled. To see captions on your screen, use the CC icon at the bottom of the Zoom window
- The Zoom setting for public attendees today is listen-only
- The Chat Box is enabled for comments or questions
- Screen reading software users can silence Zoom alerts (including chats), if desired, by muting your computer audio and joining the meeting by phone
- Meeting materials can be found on www.abilityone.gov





Introductions and Opening Remarks



Agenda

- Chairperson's Opening Remarks
- Data Driven Partnering with GSA/FAS
- Executive Director Report
- Inspector General Presentation
- Competition Background and Context
- Break
- Public Engagement: Discussion of Proposed Rule
"Supporting Competition in the AbilityOne Program"
- Closing Remarks





U.S. General Services Administration

A photograph of the United States Capitol building in Washington, D.C., showing the ornate dome and classical architecture. An American flag is flying on a tall pole in the foreground. The sky is clear and blue.

Data Driven Partnering Efforts with AbilityOne

AbilityOne Quarterly
Commission Meeting
July 13, 2023

Collaboration

- Meetings
 - March 21, 2023 in person
 - June 8, 2023 virtual
 - Next Meeting - September 2023
- Established common understanding of market
 - ~ 100 NPAs ~ 6,000 products ~ 200 distributors
- Established need for collaboration & data analysis to improve processes
- Establish new approaches to Purchase Exceptions (PEs)

Report of all AB1 Sales

We have created and distributed a bi-monthly report for all AB1 Sales

- Utilized internal tool and validated results throughout GSA
 - ~3500 NSNs with Sales across all channels totalling \$444M
- Formalized GSA internal processes
- Initially distributed Apr 2021-Apr 2023 List to AB1/NIB leadership
- Re-distributed: Late June (June 2021-June 2023)

Authorized Distributors

We have shared a list of Authorized Distributors

- Shared with all stakeholders - AB1, GSA, & NIB
- List is a reference for other solutions including:
 - Cross reference in TDR
 - Reconciliations to ensure only authorized distributors add PL products

Procurement List (PL) Rules of the Road Document

Business Process Reviews of the PL addition & removal processes

- Operational Processes are being documented between GSA and NIB
- Result will be:
 - Items new to market will be available more quickly
 - Items that have little demand will be removed more quickly

New Approaches to Purchase Exceptions (PEs)

Mitigate impact of PEs - Number of PEs, Length of PEs, PE Related Processes and Policies

- R2 Substitution Case Study
 - Analyzed PE requests to determine impact;
 - Prior 24 month sales totaled \$41.4M for all NSNs
 - 79 Substitutions identified & prevented lost sales
- Demand Data generated and distributed
- Establish a 6-month PE length and consistent identification of substitutions - Under Consideration by the Commission
- Policy Changes - Under review by the Commission

Summary

- The previous charts were some of the highlights. Other initiatives include....
 - Competitive Pricing Initiative
 - Other Operational Improvements such as dedicated COs to support PL contracts
 - Finalizing the Strategic Supplier Alliance Agreement

Looking forward to our continued partnership!





Executive Director Report



Focus: Top Management Challenges

Challenges recently mitigated and removed from the Top Management and Performance Challenges Report:

- Higher Level of Transparency Needed to Enhance Program Confidence
- Erosion of Statutory Program Authority
- Watch Item: Accessibility

FY23 emphasis on current challenges includes:

- **Implementation of Strategic Plan**
- **Enhancement of Program Compliance**
- **Closure of Open Audit Recommendations**





Focus: Outreach and Engagement

- Extended comment period for draft compliance policies; stakeholder meetings include NPA Compliance Council
- Commission visits to multiple AbilityOne contractors
- Participation at Government and other conferences:
 - Air Force Service Acquisition Summit
 - Disability Matters North America 2023
 - Xforce (SourceAmerica)
 - National Federation of the Blind Convention
 - National Contract Management Association World Congress
- In-person AbilityOne Representatives (ABOR) meetings
- Meetings with advocacy groups and potential partners





U.S. AbilityOne Commission

Office of Inspector General



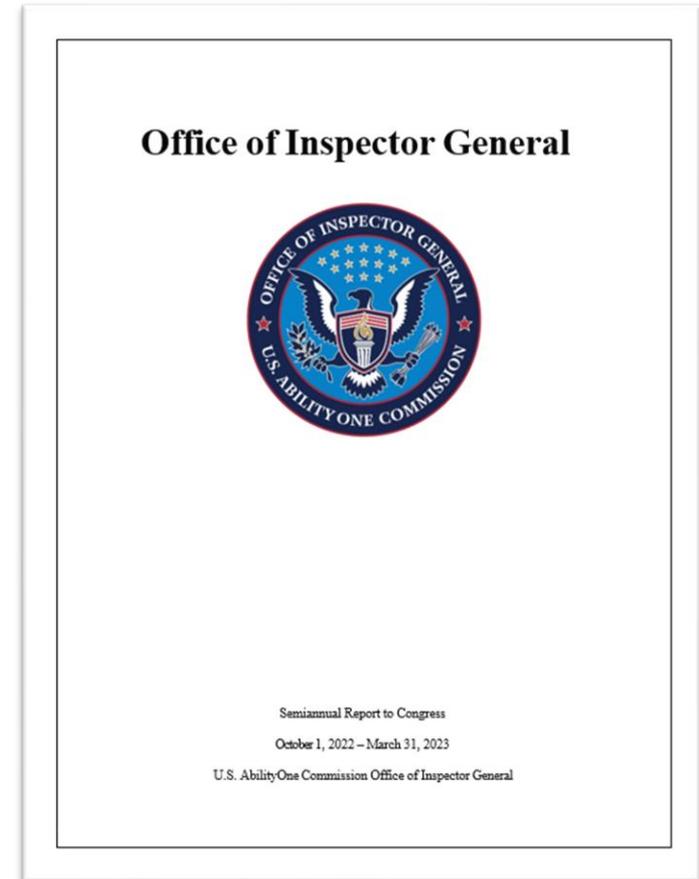
Stefania Porter, Inspector General
July 13, 2023





OIG Semiannual Report to Congress

- SAR Fall 2022
Theme: **Organizational Renewal**
- SAR Spring 2023
Theme: **Transformation**





Investigations & Evaluations

- We conduct Investigations both within OIG and with law enforcement partners
- We work with the Department of Justice
- OIG is expanding its oversight toolkit:
adding Evaluations Unit





Audits – Coming soon

Audit of Data Availability, Accessibility, and Reliability





Audits – Ongoing

- Performance Audits
- Financial Statement Audit FY23 – Just launched





OIG Oversight Mission

- OIG's Biennial Oversight Plan – Fall 2023
- Maps out OIG oversight over the next 2 years (2024-2025)
- OIG utilizes a comprehensive risk-based methodology to inform planning and future engagements





OIG Contact Information

AbilityOne Office of Inspector General

<https://abilityone.oversight.gov>

To SUBMIT a COMPLAINT to OIG:

Please submit complaints using our Portal

<https://abilityone.oversight.gov>

You may also submit a complaint via our:

Hotline Toll-Free Number: 1-844-496-1536

Email: hotline@oig.abilityone.gov





Competition Background and Context



William Sproule, Air Force SAF/AQCA
Marlin Paschal, Commission General Counsel



History: Sec. 898 Panel Background

- FY2017 National Defense Authorization Act (NDAA)
 - Sec. 898 tasked establishment of “Panel on DoD and AbilityOne Contracting, Oversight, Accountability and Integrity”
 - Quarterly meetings (Jun 2017 – Aug 2021)
 - Four reports to Congress (three Annual & Final (Dec 2021))
 - Chaired by Director, Defense Pricing & Contracting (DPC); members from DoD agencies, civilian agencies, Commission
 - Subcommittee 6: Acquisition & Procurement
 - 15-Member Team (AO, Army, Navy, AF, DAU, DoJ, DPC)
 - “(6) 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”





Competition Recommendation

- Subcommittee 6 Competition Recommendation
 - Proposed new process focused on a “best value with trade-off analysis that will consider a Social Impact proposal, a Technical proposal, Past Performance (PP), and Price”
 - Social Impact may include NPA size, Quality Work Environment (QWE), disabled labor hours, veteran labor hours, mentorship participation, etc.
 - Federal customer evaluates Technical, PP (w/CNA) & Price; CNA evaluates Social Impact; Commission makes final decision
 - Proposed new process applied to additions and recompetition for service contracts valued \geq \$10M annually at Federal installations
 - Subcommittee engaged and worked with NIB, SourceAmerica, and their membership associations; these groups indicated general support for the Subcommittee’s approach
 - Panel recommendation informed Commission’s proposed rule





Benefits of Recommendation

- Benefits to customers and AbilityOne participants include:
 - Customer involvement in evaluation and selection
 - Provides “best value,” including price and non-price factors
 - Avoids potential for performance replacement by InterGovernmental Support Agreements (IGSAs)
 - Removes perception of being locked into one contractor for life
 - Increases transparency to AbilityOne Commission members
 - Enhances equity in assignment & allocation of large service contracts
 - Protects transferring employees with disabilities
 - Improves the delivery of products and services to the DoD
 - Encourages consideration of nontraditional AbilityOne opportunities
 - Avoids triggering statutory provision that DoD can opt out of Procurement List compliance if there is a lack of good faith implementation





Chronology: *Competition in the AbilityOne Program*

- 2017 - 2021: 898 Panel recommends introducing competition into AbilityOne Program considering price and non-price factors for certain high-dollar service contracts
- 2018 - 2019: Fort Bliss Competition Pilot Test
- 2020 - 2021: Fort Meade Competition Pilot Test
- 2022: Commission issues FY 2022–2026 Strategic Plan that includes both advancing competition and supporting good and optimal jobs
- 2022: Fort Knox Competition Pilot Test begins
- March 13, 2023: Commission issues Notice of Proposed Rulemaking “Supporting Competition in the AbilityOne Program”





898 Panel and “Social Impact”

- “Social Impact” is a term created by the 898 Panel to describe NPA-specific subfactors that would be considered in a competition, including:
 - NPA size
 - Quality Work Environment (QWE) participation
 - Percentage of labor hours by people with disabilities
 - Veterans employment
 - Mentorship participation
- 898 Panel recommended considering “social impact” as part of a “best value” trade-off analysis that would also include price and non-price factors, such as technical capability, past performance, and price.
- 898 Panel recommendations:
 - Federal customer would evaluate technical capability, past performance, and price. CNA would evaluate “social impact.”
 - Commission makes final decision.
 - Details for implementation were not finalized.





Proposed Rule and “Social Impact”

- “Social Impact” is **not** an AbilityOne Program term, but the concept is found in the following Commission regulations and policies:
 - Central Nonprofit Agency Evaluation of Nonprofit Agency Qualifications (41 CFR 51-3.2)
 - “Special Considerations” listed in “Selection of Nonprofit Agencies for Project Assignment and Order Allocation,” Commission Policy 51.301, 6(b)iii(b)
 - Commission Suitability Determination for Procurement List Additions (41 CFR 51-2.4)
 - Employment Potential (e.g., Good and Optimal Jobs)
 - NPA Qualifications (e.g., Upward and Outward Advancement)
 - NPA Capability (Experience & Technical Capability)
 - Other pertinent information (“Special Considerations”)





Practical Example

- The Commission's Fort Knox Competition Pilot Test demonstrates one way to include the concept of "social impact" as a non-price factor in the NPA selection process
 - Pilot Goals
 - Utilize a nonprofit agency selection process that considers price and non-price factors to provide the best overall solution to the Federal customer
 - Explore ways to evaluate a nonprofit agency's capability to create good and optimal jobs and the quality of a nonprofit agency's placement program
 - Pilot Timeframe
 - Phase I – Started Jan. 18, 2023
 - Phase II – Started June 5, 2023





Takeaways and Next Steps

- The proposed competition rule adopts many principles of the 898 Panel's recommendations.
- The final rule will be informed by the Commission's Strategic Plan, which includes support of competition and of good and optimal jobs, and will be informed by the rulemaking process.
- The Strategic Plan specifies that competition will be limited to qualified AbilityOne NPAs; that the Commission will rely on a "best value" approach that includes price and non-price factors; and that the Commission will retain the authority to establish the Fair Market Price.
- Policies will be developed to implement the final rule in a way that carries out the Program's twin goals of meeting Federal customer needs and creating good and optimal jobs through Federal contracts.





Break



Public Engagement

Discussion of Proposed Rule “Supporting Competition in the AbilityOne Program”



Proposed Rule at a Glance

- Proposed Rule (RIN 3037-AA14) published March 13, 2023
- Comment period closed June 12, 2023
- Comments received: 97 (see Regulations.gov)
- Key elements of Notice of Proposed Rulemaking:
 - Competition is limited within the AbilityOne Program to service contract requirements at a certain dollar threshold
 - Competition is not required; competition may be requested by an AbilityOne customer and must be approved by the Commission
 - The successful AbilityOne contractor, if not the incumbent, must afford right of first refusal to contract employees with disabilities





Competition Discussion Process

- Stakeholders requested an opportunity to engage in a public forum with the Commission; additional time is provided during today's meeting
 - Speakers requested time during registration, or were invited to speak based on their written comments or previous discussions
 - **Additional time is provided for audience input**
 - **Please use Chat Box to send requests to speak; include your name and the organization you represent**
 - **Please keep remarks to approximately 3 minutes to permit maximum participation by audience**





Scheduled Speakers

- Paul Courtney, Chief Procurement Officer
Department of Homeland Security
- Marie Campanoli, Vice President, Government Affairs
Skookum (SourceAmerica-associated)
- Julie Christensen, Executive Director
Association of People Supporting Employment First (APSE)
- Larysa Kautz, President & CEO
Melwood (SourceAmerica-associated)
- Mark Riccobono, President
National Federation of the Blind
- Laurie Staph, President & CEO
Keystone Vocational Services (NIB-associated)
- Lisa Young, Director of Public Works Contracting
Naval Facilities Command (NAVFAC) Southwest





Audience Engagement and General Discussion



Chairperson Closing Remarks