



**Cooperative Agreement Between**

**Committee for Purchase From**  
**People Who Are Blind or Severely**  
**Disabled**  
**and**  
**National Industries for the Blind**

**Modification 06**

**Effective Date: September 30, 2020**

**TABLE OF CONTENTS**

|   |    |
|---|----|
| <b>SECTION A – BACKGROUND AND OBJECTIVES</b>  | 05 |
| Purpose   | 05 |
| Central Nonprofit Agency Designation  | 05 |
| Description of Services   | 06 |
| Order of Precedence   | 06 |
| <br>  |    |
| <b>SECTION B – CONSIDERATION AND FEES</b>   | 08 |
| Consideration from the Commission   | 08 |
| Program Fee Ceiling   | 08 |
| Central Nonprofit Agency Authority to Charge Fee from Nonprofit Agencies                              | 08 |
| Payment of Program Fee  | 09 |
| Commercial Lines of Business  | 09 |
| <br>  |    |
| <b>SECTION C – DESCRIPTION/SPECIFICATIONS</b>   | 10 |
| Objective   | 10 |
| General Requirements  | 10 |
| CNA Performance Requirements  | 13 |
| Employment Growth   | 13 |
| AbilityOne Program  |    |
| Administration, Oversight, and Integrity  | 15 |
| Support and Assist Nonprofit Agencies with AbilityOne Regulatory<br>and Federal Business Requirements | 26 |
| Strategic Communications  | 31 |
| Program Performance Objectives and Deliverables   | 39 |
| Quality Control Plan  | 41 |
| Quality Assurance Surveillance Plan   | 43 |
| <br>  |    |
| <b>SECTION D – AGREEMENT ADMINISTRATION</b>   | 45 |
| Term of Agreement   | 45 |
| Dispute Resolution  | 45 |
| Severability  | 46 |
| Modification and Termination  | 46 |
| Third Party Beneficiaries   | 47 |

|   |    |
|---|----|
| <b>SECTION E – CLAUSES AND PROVISIONS</b>                 | 48 |
| <b>SECTION F – MISCELLANEOUS</b>                          | 58 |
| <b>SECTION G – LIST OF ATTACHMENTS</b>                    | 60 |
| Attachment 1 – Deliverables Schedule                      | 61 |
| Attachment 2 – Quality Assurance Surveillance Plan (QASP) | 66 |
| Attachment 3 – List of Laws, Regulations, and Policies    | 73 |
| Attachment 4 – Definitions and Terms                      | 74 |
| Attachment 5 – Acronyms                                   | 79 |
| Attachment 6 – Complex Project Form                       | 80 |

**Cooperative Agreement**  
**between**  
**the Committee for Purchase From People**  
**Who Are Blind or Severely Disabled**  
**and**  
**National Industries for the Blind**

This Agreement is entered into by and between the Committee for Purchase From People Who Are Blind or Severely Disabled, operating as the U.S. AbilityOne Commission (“Commission”), and the National Industries For The Blind, designated herein this Agreement as an AbilityOne Program Central Nonprofit Agency (“CNA”), for the purpose of establishing the governing relationship and roles and responsibilities of each party in its respective role within the AbilityOne Program.

The United States AbilityOne Commission, the operating name for the Committee for Purchase from People Who Are Blind or Severely Disabled (the "Commission"), is the independent Federal agency that administers the AbilityOne Program by authority of the Javits-Wagner-O'Day Act ("JWOD Act"), codified in 41 U.S.C. §§ 8501-8506.

National Industries for the Blind is a nonprofit agency whose mission is to enhance the opportunities for economic and personal independence of persons who are blind, primarily through creating, sustaining and improving employment. National Industries For The Blind, hereinafter referred to as CNA, has historically served as a Commission-designated central nonprofit agency within the AbilityOne Program as identified in 41 C.F.R. § 51-3 and FAR 8.701 to represent Nonprofit Agencies ("NPAs") employing persons who are blind, and thereby facilitate the distribution of orders by the Federal Government for commodities and services on the Procurement List ("PL") among qualified NPAs employing persons who are blind under the Program.

## SECTION A – BACKGROUND AND OBJECTIVES

### **1. PURPOSE**

The purpose of this Agreement is to establish key expectations and guidance for the Commission and CNA in relation to the implementation and management of the AbilityOne Program. The JWOD Act established the U.S. AbilityOne Commission to both provide and increase employment and training opportunities for persons who are blind or have other significant disabilities through the delivery of products and services to the Federal Government. The JWOD Act also requires the Commission to designate CNAs to facilitate the distribution of Federal Government orders by allocation or other means.

In 2013, the Government Accountability Office (GAO) reviewed the AbilityOne Commission and program and made recommendations to the Commission to address their findings. Additionally, in December 2015, Congress passed the Consolidated Appropriations Act, 2016, Public Law 114-113 2016, that included certain directives for the AbilityOne Commission to address within one-hundred eighty (180) days of the Act's passage, namely (1) to enter into written agreements with the designated CNA to provide auditing, oversight, and reporting requirements; and (2) to stand up an Office of Inspector General for the Commission. In addition, Congress directed that the written agreement address nine points:

1. Roles and responsibilities on the part of the Commission and the CNA in project assignment procedures, including decision-making processes
2. Expenditures of funds, including policy governing reserve levels
3. Performance goals and targets
4. Governance standards and other internal controls to prevent fraud, waste, and abuse, including conflict of interest disclosures and reports of alleged misconduct
5. Access to data and records
6. Consequences for not meeting expectations
7. Periodic evaluations and audits on affiliates
8. Periodic review and updates on pricing information
9. Provisions for updating the agreement

### **2. CENTRAL NONPROFIT AGENCY DESIGNATION**

Pursuant to 41 U.S.C. § 8503(c) and the Consolidated Appropriations Act, 2016, the Commission by execution of this Agreement hereby designates National Industries For The Blind as a central nonprofit agency (hereinafter referred to as "CNA") to facilitate the distribution, by direct allocation, subcontract, or any other means, of orders of the Federal Government for product and services on the PL among qualified NPAs for persons who are

blind. As a designated CNA, National Industries For The Blind, herein agrees to comply with the terms and conditions of this Agreement as well as the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51.

### **3. DESCRIPTION OF SERVICES**

The CNA shall provide all management, labor, supervision, materials, equipment and supplies to furnish CNA program services to the NPAs as outlined in the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51. The CNA shall plan, schedule, coordinate, and ensure effective and efficient performance of all services provided. The CNA shall perform the services in a manner that promotes the Federal Government's policies and the Commission's specific objectives as set forth in this Agreement, the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51. This is a performance-based agreement. These performance-based specifications express the Congressional mandate of the Consolidated Appropriations Act, 2016. Performance-based specifications express the Government's requirements in the form of the minimum quality standard to be met and consequences for deficient performance.

The overall purpose of this Agreement is to implement Consolidated Appropriations Act, 2016, Public Law 114-113 2016, by establishing the governing relationship between the Commission and the CNA to ensure effective stewardship and to increase employment and training opportunities for persons who are blind or have other significant disabilities at employing qualified NPAs through the delivery of products and services by the NPAs to Federal Government customers in accordance with and in furtherance of the JWOD Act.

High value is associated with sustaining and increasing current employment levels and developing and executing new lines of business that also increase new employment opportunities.

Key performance indicators of this agreement are:

- Employment Growth
- Program Administration, Oversight, and Integrity
- NPA Support, Assistance, and Development
- Strategic Communications

### **4. ORDER OF PRECEDENCE**

The following order of precedence (listed in descending order) shall be adhered to when conducting business, responding to Commission requests, and ensuring compliance with the AbilityOne Program:

1. Statutes: JWOD Act, Chapter 85 of Title 41 United States Code
2. Executive Orders (if applicable to the AbilityOne Program)
3. Regulation: Chapter 51 of Title 41 Code of Federal Regulations
4. Cooperative Agreement and Commission Policies and Procedures – It is important to note that the cooperative agreement and Commission Policies and Procedures are supplemental to the JWOD and Commission regulations and do not supersede nor replace statute or regulation.

The Commission reserves the right to request documentation and/or require action from non-profit agencies and other Government entities in support of the AbilityOne Program as detailed in the JWOD.

**SECTION B – CONSIDERATION AND FEES****1. CONSIDERATION FROM THE COMMISSION**

- a) Upon designation as a CNA by the Commission, the CNA may charge fees to qualified and approved NPAs participating in the AbilityOne Program for facilitating their participation in the AbilityOne Program in accordance with the terms and conditions of this Agreement, the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. § 51, and Commission policies governing the AbilityOne Program.
- b) The CNA agrees to accept Program Fee payments from third party qualified NPAs as full consideration in accordance with the terms and conditions of this Agreement, the provisions of the JWOD Act and the regulations and policies issued by the Commission. Furthermore, the CNA waives the right to collect Program Fee from the Commission.

**2. PROGRAM FEE CEILING**

Pursuant with 41 C.F.R. §51-2.2(f) the Commission sets the fee ceiling on fee paid to CNAs. The fee ceiling is intended for the CNA to generate revenue within their approved business plan, to incentivize the expansion of employment opportunities and to assist in start-ups. All fees collected under this Cooperative Agreement are considered Program Fee.

Use of Fee Collected. The CNA shall use the Program Fee collected only for the intended purposes, under terms and conditions of this Agreement, and in furtherance of the AbilityOne Program, unless otherwise expressly instructed in this Agreement or by the Commission.

**3. CENTRAL NONPROFIT AGENCY AUTHORITY TO CHARGE PROGRAM FEES FROM NONPROFIT AGENCIES**

- a) The CNA shall calculate Program Fees based on NPA sales to the Government under the AbilityOne Program and in accordance with regulations and policies set forth by the Commission governing the AbilityOne Program.
- b) The total Program Fee charged by the CNA shall be calculated using rates not to exceed the annual Program Fee ceiling rate approved by the Commission. The CNA retains the right to charge a fee less than the fee ceiling.
- c) Documentation of Program Fee payment requests shall be provided by the CNA to the Commission in accordance with reporting requirements set forth in this Agreement or upon



written request by the Commission.

- d) The CNA shall notify the Commission of any qualified NPA's failure to make payment of the Program Fee to the CNA. The CNA shall provide the Commission a list of all NPAs that fail to submit timely payment of Program Fee. This list will be submitted within the Quarterly Fee and Expenditure Report.

#### **4. PAYMENT OF PROGRAM FEE**

The CNA's request for Program Fee payment shall contain the following:

- 1) The name and address of the CNA;
- 2) The date of the request for Program Fee payment;
- 3) The contract number and/or other identifier of the contract or order under which the request is made;
- 4) Such information and documentation as is required by the contract's description of and sales amount that forms the basis for payment;
- 5) A certification by a CNA official authorized to bind the CNA, as to the accuracy of the CNA's request.

#### **5. COMMERCIAL LINES OF BUSINESS**

The Commission authorizes use of Program Fee for commercial efforts to the extent that the commercial efforts are intended to have a direct benefit to the AbilityOne Program mission and do not otherwise detract from the CNA's performance or are considered unallowable under this Agreement.

The Commission and the CNA mutually agree to develop the terms and conditions of this section.

#### **6. SPECIAL CONSIDERATION – COVID-19 Pandemic**

All data will be reviewed quarterly for impacts attributed to COVID-19 either directly or indirectly. The cause and effect must be clearly articulated, and will be taken into consideration when calculating performance measurements throughout the pandemic crisis.

## **SECTION C – PERFORMANCE WORK STATEMENT (PWS)**

### **1.0: OBJECTIVE**

The CNA shall provide all management, labor, supervision, materials, equipment and supplies to furnish CNA program services as outlined in this Agreement, the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51, and Commission policies governing the AbilityOne Program. The CNA shall plan, schedule, coordinate, and ensure effective and efficient performance of all services provided. All work must be performed in a manner that promotes the Federal Government's policies and the Commission's specific objectives as set forth in this Agreement, the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51, and Commission policies governing the AbilityOne Program. This is a performance-based agreement. These performance-based specifications express the Government's requirements in the form of the minimum quality standard to be met and consequences for deficient performance.

### **2.0: GENERAL REQUIREMENTS**

This section describes the statutory requirements for the AbilityOne Program. The following sub-sections provide details of requirements for both the Commission and the CNA designated by the Commission to assist in the administration of the AbilityOne Program.

#### **A. Commission Responsibilities**

The Commission will perform responsibilities outlined in the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51. The following Commission responsibilities are highlighted for emphasis:

1. Establish and maintain the PL containing the products and services provided by the qualified NPAs participating in the AbilityOne Program which federal agencies are required to purchase;
2. Determine suitability of products and services furnished by qualified NPAs for Federal Government procurement to be added to the PL;
3. Determine fair market price for products and services added to the PL;
4. Establish ceilings for the fees to be collected by the CNA for services rendered under this Agreement;

5. Maintain and enforce the communication protocol involving cooperative efforts to communicate projects and products and services determined suitable for performance under the AbilityOne Program;
6. Coordinate with the CNAs to address issues concerning government-wide policies affecting the implementation of the AbilityOne Program;
7. Assign appropriate Commission staff to monitor the ongoing work and to respond to questions about the Cooperative Agreement. When appropriate, the Commission staff will act as a liaison among the public and private parties and provide a Commission response date for questions. If the Commission fails to meet a posted response date, the CNA shall receive an extension of its corresponding due date equal to one day for each day of delay in the Commission's response;
8. Determine the adequacy of performance by the CNA in accordance with the terms and conditions of this Agreement;
9. Ensure compliance with all Agreement requirements and notify the CNA in writing of unsatisfactory performance of the terms and conditions of this Agreement; and
10. Provide, where necessary, non-financial assistance to achieve the objectives and purposes of the AbilityOne Program.

**B. CNA Responsibilities**

The CNA shall perform the responsibilities outlined in the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51. The following CNA responsibilities, are highlighted for emphasis:

1. Evaluate the qualifications and capabilities of the qualified NPAs and provide the Commission with pertinent data concerning the qualified NPAs, their status as qualified NPAs, their manufacturing or service capabilities, and other information concerning them required by the Commission for making suitability determinations to add products or services to the PL;
2. Oversee and assist qualified NPAs to ensure successful contract performance and contract compliance in furnishing a product or a service to the Government;
3. Provide technical assistance to the qualified NPAs not limited to the following areas:

- 1) Federal procurement issues including, but not limited to, assisting NPAs with
    - (1) preparing price proposals to support recommended PL additions and
    - (2) resolving disputes regarding performance and payment issues;
  - 2) Quality assessment;
  - 3) Business process engineering;
  - 4) Rehabilitation engineering; and
  - 5) Development of Performance Improvement Plans (PIP).
4. Within the policy guidelines of the Commission (by direct allocation, subcontract, or any other means), facilitate distribution of orders from Federal Government agencies among the NPAs with an emphasis on employment growth;
  5. Monitor and assist its NPAs to meet the statutory and regulatory requirements to fully participate in the program, including conducting assistance visits and providing the Commission with the results of those visits, including supporting documentation and analysis required by Commission procedures, and recommendations for improvements;
  6. Recommend to the Commission, with supporting documentation and analysis required by Commission procedures, products or services which may be suitable for provision to the Government by qualified NPAs;
  7. Recommend to the Commission, with supporting documentation and information required by Commission procedures, initial fair market prices for products or services proposed for addition to the PL based upon historical data, market research, and discussions the CNAs facilitate between the qualified NPAs and the federal agency customers;
  8. Recommend and provide assistance with reallocation and/or transfers of projects, products and/or services on the PL to another qualified NPA.
  9. All submissions to the Commission serve as an official certification that the CNA has validated data provided to the Commission. The CNA must perform its due diligence to ensure all information received from the NPAs, is validated prior to the CNA submitting it to the Commission.

As a part of due diligence, the CNA shall validate NPA Representation and Certification information and any other NPA documentation to ensure:

- Accuracy
  - Content errors shall be corrected

- Completeness
  - All information included
  - All questions answered

The CNA shall document and inform the Commission's Business Operations Directorate, in writing, any time an AbilityOne NPA fails to correct inaccurate data, provide documentation to the Government, or provide responses to the CNA which is necessary for accurate and complete reporting to the Commission and/or Federal Government customers.

### **3.0: CNA PERFORMANCE REQUIREMENTS**

The CNA shall satisfy the following performance objectives and associated tasks in accordance with the terms and conditions of this Agreement, the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, at 41 C.F.R. Chapter 51.

#### **OBJECTIVE 3.1 EMPLOYMENT GROWTH**

**3.1.1: Employment Growth Plan Analysis.** Employment growth for persons who are blind or have significant disabilities is of pivotal importance to the AbilityOne Program. At a minimum, the CNA must provide an employment growth plan that provides new lines of business and employment growth expectations no later than September 1 of each year. The CNA, in consultation with NPAs, federal and state customers, disability community (including veterans), and appropriate educational institutions, shall conduct market research and analysis to influence the employment growth plan for the Federal market segment. At a minimum, the employment growth plan, due no later than September 1 for each succeeding year, shall incorporate the market analysis results and findings and address the following:

1. Sustaining existing employment. Sustaining existing employment shall result in no net employment loss in lines of business existing at the time of this Agreement, annually thereafter and incorporated herein as agreed upon by the parties or by amendment to this Agreement, absent unforeseen changes by the federal customers to phase out certain lines of business or unforeseen declines in a particular industry, measured in terms of direct labor hours (DLH), for both persons blind/significantly disabled and total Blind DLH (BDLH) separately (as reported in Annual Representations and Certifications). The BDLH will be what is measured in the Quality Assurance Surveillance Plan (QASP). The Employment Growth Plan shall have clear objectives with measurable progress towards sustaining net employment levels which will be tracked via the quarterly updates and year end results.

2. New employees for existing and new lines of business. Each year the CNA shall establish an employee growth target for existing and new lines of business. At a minimum the strategic growth plan shall include the annual employee growth targets resulting in net employment growth in existing and new lines of business (as measured in terms of full time equivalents (FTEs)). For the purpose of determining the potential for innovation, the CNA shall assess career opportunities in relationship to all LOBs (new and existing); anticipate future government needs through relationship building; and research private industry methods of modernization for feasibility of implementation within the AbilityOne Program. Subsequently, the CNA shall map out a strategic approach to accomplishing this type of innovation within the AbilityOne Program. The plan shall have clear objectives with measurable progress towards increasing net employment levels with respect to the innovation requirement. The CNA shall demonstrate at least one or more innovative approach to growing LOBs and incorporate additional value-added components. The CNA's progress will be evaluated annually. Innovative approaches to employment growth consist of the following:
  - (1) Creating product families new to the AbilityOne Program;
  - (2) Branching out into services new to the AbilityOne Program; and
  - (3) Expansion of new or existing products and services to new customers.
3. Promoting employees in upwardly mobile jobs in indirect labor, supervision, management, or competitive employment positions (including those places and/or promoted outside of the Program) – as reported in Annual Representations and Certifications. Under current implementation of law, such integrated placements will not be factored into the 75% direct labor hour ratio that NPAs must maintain to participate in the AbilityOne Program, but may be considered when evaluating the CNA's performance. Upward mobility and competitive placement is a two-fold element within the Quality Assurance Surveillance Plan (QASP): (1) Plan approved and in place to increase upward mobility and competitive placements (within Employment Growth Plan) and (2) employee satisfaction with said programs. See QASP (Attachment 2) for further details on the requirements and how each is measured.
4. Procuring (for internal use) the products and services offered by NPAs participating in the AbilityOne Program (measured by number of NPAs reporting such purchases) to the extent available.
5. Barriers to Employment Growth. The CNA shall provide a forecasting report that shows current market demand (to include an environmental scan), future customer needs, and new customer acquisitions. In this report, the CNA shall identify and prioritize the top five (5) barriers to employment growth and the specific action plans

that will be addressed within the next twelve (12) months or the duration of a shorter term.

6. A pipeline report that will show customer procurements for the succeeding twelve months.

The CNA shall also provide quarterly employment growth plan updates, as part of the quarterly report, that capture progress being achieved relevant to the strategic growth plan. The CNA shall submit quarterly dashboard reports to the Commission identifying actual results (in terms of FTEs, direct labor hours, and actual people) of annual net employment growth strategies.

### **OBJECTIVE 3.2 ABILITYONE PROGRAM ADMINISTRATION, OVERSIGHT, AND INTEGRITY**

**3.2.1: CNA Governance.** Administration, oversight, and integrity of the AbilityOne Program are critical performance elements. To ensure integrity, the CNA shall avoid all actions that are contrary to the terms and conditions of this Agreement, the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51, or actions that are otherwise inappropriate or provide the appearance of impropriety. It is essential that the CNA shall not create an actual conflict of interest or appearance of conflict of interest relative to all CNA business practices while operating under and in support of the AbilityOne Program.

The CNA shall implement a business ethics program (including conflict of interest policies) in accordance with Section E.13 of this Agreement to effectively reduce the risk of outside influences directing CNA decisions and implement rules to ensure independence and transparency of its board and executive officers in terms of composition and actions. The CNA shall comply with and shall notify its NPAs annually of the requirement to comply with the Federal statutes, regulations, policy, and guidance on conflicts of interest. The CNA shall establish policies and procedures to assure that 1) Boards and officers understand and uphold their fiduciary responsibilities while avoiding any instances that reflect a conflict of interest; 2) assets are managed properly; and 3) the designated responsibilities under the AbilityOne Program are implemented in accordance with the JWOD Act and all other applicable laws, regulations, policies, procedures, and guidance. The CNA shall train all existing and new CNA employees who support the Program on business ethics and conflicts of interest policies, at least annually.

The CNA shall disclose, in writing to the Commission, all litigation and all allegations, findings, investigations, or knowledge of violations of Federal law (such as fraud, bribery, or gratuity violations) involving the CNA and/or its NPAs involving the AbilityOne Program within five (5) business days of initial notice to the CNA, to the extent permitted by law, or not otherwise advised against by the investigating official. The CNAs shall also provide the

Commission with an explanation of how the violation occurred as that information becomes available and the steps the CNA is taking to educate the NPA on how to prevent similar or future violations related to the AbilityOne Program. If the violation occurred by the CNA, the CNA shall provide the Commission with the steps the CNA is taking to prevent further similar violations. In addition, the CNAs shall report in writing any potential conflict of interests affecting the PL and AbilityOne Program to the Commission within five (5) business days of learning of the actual or perceived conflict of interest.

**3.2.2: CNA Board Governance.** The CNA shall require executive and board members to disclose and certify annually, and prior to any Board decision where the members' personal interests may be affected by CNA and AbilityOne Program business and transactions. The CNA shall submit a Board of Directors Disclosure Report to the Commission, no later than July 31 each year, or within thirty (30) days of any change to the CNA's board membership. Along with every Disclosure Report, the CNA will submit the full list of the Board of Directors in attached template. To avoid the appearance of an impropriety, no board member can participate in any action impacting AbilityOne PL new opportunities, allocations, and/or re-allocations of contracts that creates a personal conflict of interest without the express written approval of the Commission upon full disclosure of the nature of the conflict of interest. The CNA shall maintain records indicating recusal of board members and the reason for the recusal.

To avoid the appearance of an impropriety and improper influence, the composition of the CNA Board of Directors shall be as follows:

1. Not be composed of current CNA employees;
2. Not have greater than 40% composition of voting Directors from current AbilityOne Program NPAs;
3. Not be composed of less than 25% people who are blind or disabled, and shall actively seek participation by people who are blind;
4. Ensure board officer positions (Chair, Vice-, Secretary, Treasurer, and any other positions) are not filled by AbilityOne Program NPA executives;
5. Ensure that no CNA employees serve as board members of AbilityOne program NPAs;
6. Ensure that no CNA employees serve as board members of associations representing AbilityOne program NPAs;
7. Ensure that no Presidents of associations representing AbilityOne Program qualified NPAs serve as voting board members of the CNA;
8. Maintain audit committee to oversee the CNA's financial affairs, and audits conducted by an independent financial auditing firm; and
9. Upon written request from the Commission, provide the Commission, for Commission review only, the Meeting Minutes of any public meeting/session.



**3.2.3: Establish and Maintain Internal Controls.** The CNA shall establish the necessary internal controls in accordance with applicable laws, regulations, and guidance governing nonprofit institutions as well as to satisfy the requirements under the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51, and Commission policies and guidelines. The CNA shall assess and evaluate its internal controls in accordance with this Agreement and other applicable laws and regulations governing the same, to ensure that the controls are effective and updated when necessary to successfully carry out its responsibilities and avoid potential for waste, fraud, or abuse. The CNA shall also inform the Commission of the results of this assessment, not protected by attorney-client privilege, and demonstrate to the Commission that the controls it has in place are sufficient to meet all the laws, regulations, and guidance governing nonprofit institutions as well as to satisfy the requirements under the Consolidated Appropriations Act, 2016, JWOD Act, implementing regulations and Commission guidelines.

**3.2.3.1: Internal Control Reporting.** Annually, no later than June 1<sup>st</sup>, the CNA shall provide to the Commission, a report that lists the CNA's internal control audits related to the AbilityOne Program including, but not limited to, the description/ scope of the audit; number of material findings; and management action plans to address such findings. The CNA shall submit to the Commission the necessary reports in accordance with this Agreement as well as Commission policy.

**3.2.3.2: Audit.** Annually, no later than February 15, the parties agree that for the purpose of this Agreement, a program specific audit as set forth at 2 C.F.R. § 200 Subpart F, particularly §§ 200.501 and 507 shall be the preferred audit methodology utilized to satisfy the audit requirements. Absent the availability of a program-specific guide, the parties further agree any such audits shall be conducted as they would be for a major program in a Single Audit. As such, the CNA must prepare a financial statement for the Federal program that includes, at a minimum, a schedule of expenditures of Program Fees as agreed to in Section C.4.0 of this Agreement and notes of significant accounting policies, a summary of prior audit findings and corrective action plans. The CNA shall act upon all recommendations that may result from any program specific audit conducted under this Agreement. The CNA shall provide the Commission a copy of each audit, associated corrective actions, supporting financial information, and pertinent related correspondences.

**3.2.4: CNA General Management and Administration.** The CNA shall integrate and coordinate all activities required to provide CNA services. The CNA shall participate in ad-hoc In-Process Reviews (IPR) of program performance with special emphasis on employment growth and financial management updates. The CNA shall submit the necessary reports and

documentation to the Commission not later than thirty (30) days after date of Commission request in preparation for the ad-hoc IPR.

**3.2.4.1: Memoranda of Agreement (MOAs), Memoranda of Understanding**

**(MOUs).** Any MOAs, MOUs, or similar agreements with Federal agencies pertaining to the CNA's performance in the AbilityOne Program requires Commission approval prior to final completion and execution. The CNA shall obtain Commission's approval at least ten (10) business days in advance of entering into any MOAs, MOUs, or similar agreements. Annually, no later than January 31, the CNA shall submit a report of all current MOAs/MOUs with Federal agencies.

**3.2.4.2: Financial and Accounting System.** The CNA shall establish and maintain a financial and accounting infrastructure that meets appropriate Generally Accepted Accounting Principles (GAAP), appropriate internal controls, and government financial system requirements, including separate cost centers for pursuit of AbilityOne Program and non-AbilityOne Program activities.

**3.2.4.2.1: Costs for Services.** For all services provided to the Commission, the CNA shall maintain appropriate documentation to provide transparency and isolate appropriate cost elements associated with providing the services. The CNA shall prepare and maintain documentation that explains and itemizes costs allocated to the Commission for all services provided.

**3.2.4.2.2: Reserve.** To assure that the CNA has the ongoing financial ability to perform against this Agreement, the CNA shall provide a copy of its Reserve Policy and annual reports showing fiscal year (FY) end reserve levels of both net assets and liquid assets no later than December 31 of each year.

**3.2.4.2.3: Financial Audit.** The CNA shall provide a copy of its annual financial audit to the Commission no later than 45 days after audit is completed. The audit shall be performed by an independent Certified Public Accounting firm.

**3.2.4.2.4: Expenditures.** In addition to quarterly reports, the CNA shall provide an annual report of AbilityOne expenditures by September 1. This report shall provide annual detail of: previous year's expenditure results; previous year's budget; current year's projected results; current year's budget; and next year's draft budget. The line item detail to be provided shall include: AbilityOne Program

support for the efforts of the Commission; NPA financial support; compensation and benefits, travel and meetings; professional services; training; advertising and promotion; other operating expenses; and expenses reportable by the Consolidated Appropriations Act of 2016.

Notwithstanding the stated due date, the Commission has the discretion to request such reports and additional details as needed.

The CNA shall also provide an annual reconciliation report of the CNA expenditures for the prior year that are required by Congress by May 15. This report shall include: employee salaries (total); executive salaries; employee benefits (total); executive benefits; travel (total); executive travel; lobbying; advertising and promotion; liquid assets reserve level (restricted and unrestricted); and AbilityOne Program support for the efforts of the Commission, including details of the activities, services and products supplied to the Commission.

**3.2.5: Equitable Allocations and Recommendations.** In accordance with Commission policies, the CNA shall conduct fair, transparent, and equitable allocation and recommendations of products and services on the PL to qualified NPAs with impartiality (excluding evaluation factors, such as past performance) and without improper preferential treatment. In making both allocation and recommendation decisions, the CNA shall follow Commission policies. Annually, no later than January 31, the CNA shall submit a CNA Allocation and Recommendation Performance Report to the Commission. This report will detail examples of equitable allocations, expansions of NPA opportunities in different LOBs, as well as an increase in recommendations that result in PL additions. Every three (3) years, the CNA shall submit for the Commission's review and approval, the NPA Allocation and Recommendation policies and procedures. Upon approval, the CNA must publish and make available to the Commission and qualified NPAs the final approved CNA Allocation and Recommendation policies and procedures no later than December 31, 2020, and review/update every three (3) years thereafter. The CNA shall submit to the Commission revised policies and procedures when substantive changes are incorporated notwithstanding the three-year requirement: substantive, for the purposes of this review, is defined as all non-administrative revisions (not editorial changes); changes that have the potential to impact or alter due process, eliminate or shorten response time, or in any way impact integrity, accountability, or fairness of the process. The Commission reserves the right to conduct ad-hoc reviews of the Allocation and Recommendation policies and procedures, and implementation or request changes based on changes in law or as a result of litigation.

**3.2.6: Quality Work Environment (QWE) Initiative.** The QWE Initiative was established by the Commission in 2010. Since then, the CNA has been responsible for implementing and

promoting the voluntary participation of its associated nonprofit agencies. The CNA will ensure that NPA training and facilitation to support QWE assessments remain available to associated agencies within 30 days of an NPAs' request. Ten (10) business days prior to the QWE Steering Group annual meetings, the CNA shall provide QWE participation statistics. The CNA will provide QWE participation statistics in the same format as it provides to the QWE Steering in the quarterly reports to the Commission.

### **3.2.7: Procurement List-related Operations**

**3.2.7.1: Understanding NPA Capabilities and NPA Evaluation.** The CNA shall understand capabilities of qualified NPAs in order to develop and recommend products and services which may be suitable for provision to the Government by the NPAs. When an NPA has submitted a proposal, or upon NPA request, the CNA shall evaluate an NPA's technical capability to furnish products and services to the Government.

**3.2.7.2: NPA Recommendation and Supporting Documentation.** The CNA shall obtain, review, and analyze the qualifications and capabilities of the NPAs before making recommendations of an NPA to the Commission. NPA qualifications and capabilities information includes but is not limited to the technical capabilities presentation, source selection information project development plans and performance on project(s) similar to the one for which NPA is now being considered. The CNA shall obtain, review and submit procurement information to the Commission in support of its recommendation. Procurement information includes, but is not limited to, current contractor, market research, performance work statement, product specifications and solicitations. The CNA shall make documents and information related to the NPA Recommendation Process available within ten (10) business days of a written request from the Commission. In carrying out the responsibilities of this agreement and meeting the delivery requirements, the CNA shall require the NPAs to certify that the NPA information and documentation are complete, accurate, and timely, in accordance with the Commission manuals

**3.2.7.3: Complex Projects Feasibility Analysis.** The CNA shall conduct an analysis of all complex projects in terms of their feasibility for addition to the PL. The results of the feasibility analysis will be reported to the Commission in accordance with the Commission's guidance for complex projects (See Attachment 6). This analysis is submitted to the Deputy Director, Business and PL Operations, to generate discussion and a decision, at a point in time well before an add product/service package would be received in PLIMS.

**3.2.7.4: Proposed Additions to the Procurement List.** Both the CNA and NPAs shall certify the proposed additions to the PL and all supporting documentation, are accurate, complete and comply with all regulations, policy and procedural requirements, when submitted to the Commission. All proposed additions to the PL shall be submitted through the PLIMS. The CNA shall ensure all proposed service package additions to the PL are submitted to the Commission through PLIMS no later than one-hundred twenty (120) days prior to the start of the service project period of performance. The CNA is permitted to send a written request for an extension to the Commission's PMO and Business Operations division detailing the length of the extension and justification for the request.

**3.2.7.5: Changes to the Procurement List.** Assist the Commission with maintaining the PL by submission of changes and updates to PL information including supporting documentation and information as required by Commission procedures.

**3.2.7.6: NPA Performance Quality Assistance.** The CNA shall monitor and assist NPAs in maintaining contract performance and provide technical assistance to NPAs as necessary. Technical assistance includes, but is not limited to, federal procurement subject matter expertise, quality assessment, development of performance improvement plans (PIP), business process reengineering and rehabilitation engineering. If either the NPA or the CNA receives notice of unsatisfactory performance from the customer, the CNA shall assist in resolution. The CNA shall establish, maintain and execute a Performance Improvement Plan (PIP) system as appropriate that supports strict agreement compliance by the NPAs. The CNA shall notify the Commission within ten (10) business days of initiating or terminating a PIP. The notification to the Commission of a PIP initiation shall include the requirements of the PIP, which include deliverables, actions, and milestone dates to be outlined in the PIP Corrective Action Plan (CAP). The notification to the Commission of a PIP completion or termination shall include the NPAs response to the CAP and reasons for termination (completions of the CAP, NPA left the program, etc.). If the PIP or other corrective action is unsuccessful, the CNA shall recommend reallocation of the product or service to another qualified NPA.

**3.2.7.7: Military Resale Program.** The CNA shall administer and manage the Military Resale (MR) Program for the AbilityOne Program. On a quarterly basis, no later than the 5<sup>th</sup> business day after the end of each quarter, the CNA shall provide the Commission with the Defense Commissary Agency's (DeCA) AbilityOne Master File, for the purpose of reconciling against the PL.

**3.2.7.8: Base Supply Center Program.** The CNA shall administer and manage the Base Supply Center Program as Executive Agent for the AbilityOne Program. Annually no later than December 31, the CNA shall furnish the Base Supply Center Executive Agent Report. The report shall include an Introduction; an Overview to cover Program Growth and Current Posture, Employment, Sales, and Compliance; Ongoing BSC Program Initiatives to cover New BSC Business Model, Policy Changes, Land Lease Challenges, BSC Assignments, GSA Partnership Opportunities, Blind Employment, and Conversions to No-Cost Contracts; and Areas requiring AbilityOne Commission attention/assistance. The report shall include a copy of the Executive Agent agreement between the Commission and the CNA. The report shall include a list of all BSCs authorized on the PL, including location, complete address, PL number associated with the addition, and the NPA designated by the Commission.

**3.2.7.9: Electronic Commerce Program.** The CNA shall administer and manage the AbilityOne.com Electronic Commerce Program for the AbilityOne Program.

**3.2.7.10: Blind Priority Waiver Report.** The CNA shall provide a Blind Priority Waiver Report to the Commission on a quarterly basis with the following information: Historical data dating from a period of five (5) years back from the date of submission including waived, prioritized, pending, and totals plus count, percent of count, dollar values, and percent of dollar values. Report shall also include current year detailed information by month including project name, dollar values, what has been waived or not, and days to process.

**3.2.7.11: Distribution Program**

The Commission and NIB will form a working group (~~including SourceAmerica~~) for the purpose of developing a formalized agreement for the management of the Commission's Commercial Distribution Program. The resulting agreement developed by the parties shall be completed by December 31, 2020. The Commission will make final determination whether to accept the agreement by January 31, 2021.

**Consolidated "Essentially-the-Same" (ETS) File.** The ETS file provides the commercial part numbers that have been identified as ETS and the corresponding AbilityOne National Stock Numbers (NSNs). This file is primarily used by authorized distributors to ensure compliance with the requirement not to sell ETS products to federal customers. The report shall be accurate, timely, complete and submitted quarterly, 45 days prior to the quarter that it is effective consistent with Attachment 1, Deliverable Schedule.

**"Essentially-the-Same" (ETS) Report.** This report identifies ETS products sold by distributors via General Services Administration (GSA) Advantage on a monthly basis based on transactional sales data provided by GSA and must identify ETS violations within the previous quarter which result in unofficial warnings, official violations or deauthorizations. The report shall be accurate, timely, complete and submitted quarterly, 45 days after the end of the quarter consistent with Attachment 1, Deliverable Schedule. The CNA shall notify the Commission of any delay in receiving data from GSA necessary for this report.

**AbilityOne National Stock Numbers (NSNs) Available for Distribution File.** The file identifies all the AbilityOne NSNs available for distributors, whether they are wholesaler stocked, and if they are on the Restricted Items List. The report shall be accurate, timely, and complete, and submitted quarterly, 45 days prior to the quarter it is effective consistent with Attachment 1, Deliverable Schedule.

**3.2.7.12: Co-Brand Report.** Monthly, the CNA shall respond to Commission supplied information detailing all items added to the PL for which a co-brand agreement has been executed. The monthly Co-Brand Report will be provided by the Commission to the CNA on or about the first business day of each month but no later than the third business day. The report will be in the form of an email and will include four (4) elements:

- The full Co-Brand Report as an attached spreadsheet.
- Notations on any initial co-brand agreement that is expiring in the next six (6) months. This notation will appear monthly.
- Notation on any extended (exercised option) co-brand agreement that is expiring in the next twelve (12) months. This notation will appear monthly.
- A list of co-brand solicitations with expiration dates (two years from the due date for responses to co-brand solicitations).

The response, due no later than the 15<sup>th</sup> of each month, shall include the following:

- Notification of any material changes to any executed co-brand included in the full co-brand report (spreadsheet). A material change might include a decision to terminate a co-brand agreement or an early decision to not exercise an option.
- Notification of any discrepancies found in the report.
- Co-Brand Agreement amendments, to exercise options shall be reviewed by Commission staff at least 30 calendar days prior to the expiration of the base period of the co-brand agreement.

Any changes to the original agreement must be highlighted in the amendment to exercise, including changes to the list of PL items, or any other material changes to the original agreement to exercise options must be executed and delivered to the Commission at least seven (7) calendar days prior to the expiration of the base period of the co-brand agreement. Co-brand re-competitions must be posted to Federal Business Opportunities (FBO) no later than six (6) months prior to the expiration date of an exercised co-brand agreement option. Standard information required for co-brand agreement solicitations applies.

**3.2.7.13: Replacement Products.** The CNA shall respond to Commission supplied information regarding replacement products. The Commission will provide the report on the first business day after the end of each quarter. The CNA shall conduct an analysis of all products that are included in the report and have been replaced on the PL to determine if replaced products should be deleted from the PL. The CNA shall provide a response to the Commission no later than fifteen (15) days after the end of each quarter. The CNA's response report shall include the following elements: PL Number, PLIMS Transaction Identification (TID) for the original addition (if applicable), PLIMS TID for the replacement product (if applicable), NSN, NSN Name, contracting activity(ies), and producing NPA(s).

**3.2.7.14: Contract Management Administrative Support Services Associated with Contract Close Out (CMS) Projects.** As the designated prime contractor, the CNA shall manage the CMS Program and sub-contract DoD-wide Indefinite Delivery-Indefinite Quantity Task Orders to the CNA and SourceAmerica-qualified NPAs. The CNA shall ensure PLIMS is updated with the status of all CMS projects by submitting packages within ten (10) days after a customer issues a Task Order against the Prime contract. The CNA shall provide a report no later than the 15<sup>th</sup> day after the end of each quarter detailing information on CMS projects. The Commission will provide a reporting template that includes all of the following elements that should be addressed for each CMS project: CNA Project#, CNA NPA ID#, NPA Name, NPA City, NPA State, Location Name, Task Order#, Task Order Start Date, Task Order End Date, BLS Direct Labor Hours, Estimated Jobs, Contract#, Comments and Explanations, if applicable. In addition to submitting the completed spreadsheet, the CNA shall submit an Executive Summary analysis regarding the status of the CMS Program.

### **3.2.8: Fair Market Price (FMP)**

**3.2.8.1: Recommended FMP Submission.** The CNA shall submit to the Commission all documentation used in the compilation, negotiation, and preparation of recommended- FMP, including actions to review and update, in accordance with



Commission policies and procedures, and within ten (5) business days of receipt of fully executed concurrences (CBSD 1005 or SPF) from all parties (NPA(s), CA, CNA). Exceptions to the five (5) business day submission requirements will be considered by the Commission on a case by case basis. In carrying out the responsibilities of this Agreement and meeting the delivery requirements, the CNA shall require that the NPAs certify that required information and documentation are complete, accurate, and timely, in accordance with the Commission manuals. The CNA shall make every effort to communicate to both the government customer and the NPA, that FMP must be approved by the Commission before the start of a contract's period of performance.

Quarterly, the CNA shall respond to Commission supplied information detailing all service projects. These quarterly FMP Service Projects reports will be provided by the Commission to the CNA on or about the first (1<sup>st</sup>) business day but no later than the third (3<sup>rd</sup>) business day of the start of each quarter (October, January, April, July). For all services on this list, the report shall include: PL number, project number, location, NPA, service period end date, and whether or not the service period has expired (i.e., prices are out of date). The CNA shall provide its response to each report on or before the 15th of the month the report is received. The CNA response shall detail whether or not the NPA continues to provide the service (the project is active or inactive), the date the price change information was provided to the CNA, and the estimated date of arrival for the price change transaction in PLIMS. In addition to this information, the CNA is required to update all expired price service projects within one year from signing this Cooperative Agreement as the corresponding QASP metric (Attachment 2) is based upon the CNA updating all service project prices which are beyond the expiration date. All active price projects are required to be kept updated as well and will be measured in that same QASP element.

In subsequent years, 100% of service project prices must remain up-to-date and completion of this requirement will be measured in a separate QASP element among other related metrics. The Commission will monitor on a semi-annual basis with the final result being rated annually. Finally, all service price change requests must be received at least two (2) weeks after receipt of the information.

**3.2.8.2: Cost and Price Point of Contact.** The CNA shall designate and maintain a primary Point of Contact for all PL Price and Price-related matters.

**3.2.9: Project-level Information.** The CNA shall validate and ensure all requested project-level information is accurate and available to the Commission and the Contracting Activity for inspection within ten (10) business days of request by the Commission. Project level information includes but is not limited to, Made-To-Order Medical Kit reports detailing requests for quotes received from Defense Logistics Agency (DLA) Troop Support.

**3.2.9.1: Made-To-Order Medical Kit Report.** The Made-to-Order (MTO) Medical Kit Report, due to the Commission no later than fifteen (15) days after FY Quarter, shall detail all activity projects-to-date, to include: new requests, requests in process, and completed requests. The report shall detail dates received, approved, accepted (by DLA), the number of kits to be produced, Direct Labor Hours, and dollar value.

**3.2.10: CNA Due Diligence Review.** The CNA shall perform reasonable due diligence, using good faith efforts, consistent with available resources to review and validate that the NPAs comply with their Program obligations. The CNA shall follow its procedure to use comparative data and trend analysis to identify and correct anomalies and errors, as appropriate.

**3.2.11: Efficiency and Cost Savings.** The CNA shall monitor, track, and report all internal increased efficiencies and cost savings achieved which result in positive outcomes for the AbilityOne Program. Annually as part of the fourth quarter report, the CNA shall include a separate section delineating and explaining each increased efficiency, the related cost savings, and the corresponding outcomes realized throughout the year. The Commission will use the Annual CNA Expenditures Report as the baseline for tracking cost savings reported by the CNA.

### **Objective 3.3 SUPPORT AND ASSIST NPAS WITH ABILITYONE REGULATORY AND FEDERAL BUSINESS REQUIREMENTS**

**3.3.1: Represent NPA to the U.S. AbilityOne Commission.** As set forth in the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51, the CNA shall represent the NPAs in matters before or brought to the Commission or as directed by the Commission.

**3.3.1.1: NPA Qualification.** The CNA shall evaluate and recommend NPA initial qualification to the Commission in accordance with 41 C.F.R. § 51-4.2. This includes, but is not limited to, evaluating whether an NPA meets the definition of a qualified NPA. The CNA shall provide assistance to NPAs to ensure that proposed NPAs have valid Commercial and Government Entity (CAGE) codes, Data Universal Numbering System (DUNS) numbers, and are registered in the federal System for Award Management upon being determined to meet the initial AbilityOne Program qualifications. Additionally, the CNA shall review and evaluate representations and certifications submitted by NPAs in accordance with 41 C.F.R. § 51-4.3 to recommend to the Commission whether an NPA has maintained its qualifications to participate in the AbilityOne Program

**3.3.1.2: NPA Recommendation.** The CNA shall recommend to the Commission, with the supporting information required by Commission procedures, products or services which may be suitable for provision by its NPAs. The CNA will follow its process for recommendation established in accordance with the requirements specified in Section 3.2.5 above.

**3.3.1.3: NPA Regulatory Review and Assistance Visits (RRAV).** The CNA shall monitor, report, and assist NPAs in maintaining qualification in accordance with 41 CFR § 51-4.3. The CNA shall ensure NPAs are also in compliance with the JWOD Act, 41 U.S.C. Chapter 85 and implementing regulations, 41 C.F.R. Chapter 51, Commission Compliance Policies, and the Compliance Manual-2007. The CNA shall submit any changes that are made to the CNA's qualified NPA oversight protocol, within thirty (30) days of any change to the Commission for review and approval. The CNA shall conduct RRAV with the NPAs at required intervals or as may otherwise be necessary and submit a post-visit trip report electronically in the Procurement List Information Management System (PLIMS) containing the findings and recommendations, as required, to close out such reviews within ten (10) business days of the review. If the CNA finds that an NPA is not meeting Program qualification requirements, under the authority delegated to the CNA by the Commission under 41 CFR 51-3.2(b), the CNA shall require the NPA to initiate and complete corrective action(s). The CNA shall ensure that the corrective actions taken could reasonably result in the correction of the deficiencies identified during the RRAV by reviewing documentation from the NPA attesting to completion of the corrective actions.

When the NPA's report of corrective action is received by the CNA, the CNA shall close out the review by submitting a supplemental post-visit trip Corrective Action Compliance Visit Report electronically via PLIMS within ten (10) business days of receipt of documentation from the NPA attesting to completion of the corrective actions. The supplemental post-visit trip report shall include a report of corrective action(s) taken by the NPA; the PLIMS transaction number for the initial NPA RRAV post-visit trip report; the name of the NPA visited; name of reviewer from the CNA; and date of the initial review.

The CNA shall also provide its fiscal year (FY) regulatory review list to the Commission no later than September 1 of each year and an End of Year Analysis for their regulatory reviews no later than January 31 of each year.

**3.3.1.4: Phase-In Report.** In accordance with (IAW) Commission Procedure 51.401-01, Phase-In Procedures, the CNA shall report the status of all projects that have an approved phase-in period to the Commission, Director, Oversight and Compliance, on a

quarterly basis. The quarterly phase-in report shall be submitted as part of the quarterly report and shall include the following elements: 1) Status of Project-specific DLH ratio (Green, Yellow, Red) (use common understandings of these color codes); 2) NPA Name; 3) Date Phase-In Was Approved; 4) Length of Approved Phase-In (in months); 5) Approved Project-specific DLH Ratio Percentage (for start of project); 6) Current Project-specific DLH Ratio Percentage (last day of quarter reported); and 7) Explanation for Failure to Meet the DLH Ratio Requirements IAW Approved Phase-In.

**3.3.1.5: Prime Contractor.** Upon execution of this Agreement, the CNA may perform as the prime contractor only when qualified NPAs do not have the capacity to perform the service, or when the government customer requests this arrangement, unless prior approval is received from the Commission. The CNA shall only serve as the prime contractor to manage subcontracts and allocate orders equitably when approved by the Commission. The intent of this provision is for CNAs to support NPAs' ability to do business with the government and shall not unnecessarily compete with the NPAs. The CNA shall not charge a Program Fee from any NPAs serving as subcontractors. The CNA shall not charge any fees unallowable by law or regulation when serving as the prime contractor. Annually, no later than October 31, the CNA shall submit a list of all federal contracts where the CNA serves as the prime contractor. Within the submitted documentation, the CNA must explain why it is the prime contractor and provide a plan (to include milestones) to phase-out as a prime and phase-in an NPA.

**3.3.1.6: Overall Direct Labor Hour Ratio Compliance Report.** In accordance with Commission Policy 51.403, NPAs out of Compliance with Commission Regulations, the CNA shall report the overall direct labor hour ratio status for any NPAs with a cumulative overall direct labor ratio below 75 percent. The report shall be provided to the Commission on a quarterly basis, as part of the quarterly report, and shall include the following elements, at minimum: 1) Name of the NPA; 2) Cumulative Overall Ratio; and 3) Stated reason for not meeting minimum required percentage (e.g. WIOA, security clearance, demographics, geographic, transportation, etc.). These minimum reporting elements do not preclude the CNA from including additional reporting elements in the quarterly report.

**3.3.2: Representations and Certifications.** The CNA shall assist the AbilityOne participating NPAs in the information gathering and filing of the NPAs' Annual Representations and Certifications (AR&C) in accordance with 41 CFR §§ 51-3.2 and 3.6.

**3.3.2.1: Submission of Form 401 or 402.** The CNA shall, at the time designated by the Commission, submit a completed, original copy of the appropriate Initial Certification (Committee Form 401 or 402) in PLIMS for the NPA concerned within ten (10) business days of designation or receipt of the Initial Certification from the

NPA, whichever is later. This requirement does not apply to a NPA that is already authorized to furnish a commodity or service under the JWOD Act.

**3.3.2.2: Submission of Annual Representations and Certifications.** The Commission requests the CNA diligently review all Annual Representations and Certifications (AR&C) from the NPAs' quarterly reports at the time of receipt, then once again at the end of the year before submitting the AR&C to the Commission. The CNA will review for irregularities and outliers, such as discrepancies between hours, and labor, or other anomalous data when compared to previous quarters or years of data, and resolve them with the NPA within thirty (30) days of submission. Additionally, the Commission requests the CNA process the information through macros templates that have been formatted to identify random data that is inconsistent with previously reported data. The CNA shall continue to work closely with the NPAs to receive explanations to data that is uncharacteristic and ensure the information is corrected.

Submissions serve as an official certification that the CNA has validated data provided to the Commission. The CNA must perform its due diligence to ensure all information received from the NPAs, is validated prior to the CNA submitting it to the Commission. The CNA shall forward to the Commission, no later than December 1, annually, a completed legible original copy of the appropriate Annual Certification for the fiscal year ending the preceding September 30 for each of the NPAs, and data extract containing all information within the AR&C and a summary report that contains the following information:

- i. Total number of Producing NPAs for the fiscal year (reconciled and agreed by the Commission) that are required to submit Representations & Certifications to "maintain qualifications" to participate in the AbilityOne Program.
- ii. List of NPAs that did not submit the required AR&C by the November 1 deadline.
  1. List of NPAs that certified potential inaccurate/inconsistent/falsified data on the AR&C Form.
- iii. Number of NPAs reporting below the Agency Overall Direct Labor Ratio required ratio (year-end cumulative), identifying any NPAs with Commission approved ratio exemptions and surges.
- iv. Narrative summary of Data Analysis
  1. Report Appendix: Representations & Certifications Data Analysis Extract – highlighting any identified data potential inaccuracies/inconsistencies/falsifications that need to be resolved with the NPA.

**3.3.2.3: Risk and Financial Assessment.** Upon the Commission's direction, the CNA shall obtain an independent financial assessment of NPA to ensure that the NPA has the financial, management, and business capability to fulfill the contractual obligations as a qualified NPA designated to perform work on the PL. The CNA shall provide a report to the Commission regarding the financial assessment findings, within ten (10) business days after completion of third party financial assessment as long as it meets the Commission's overall deadline.

### **3.3.3: Training**

**3.3.3.1: NPA Training.** The CNA shall develop and provide training programs, independently or in cooperation with the other CNA(s), that result in AbilityOne qualified NPAs' awareness and understanding of the requirements of the JWOD Act, the Commission's regulations, and AbilityOne Program policies and procedures. The CNA shall train, develop and assist NPAs to understand and meet their requirements under the AbilityOne Program, and to enhance NPAs' ability to successfully compete for future contracts. The CNA shall provide training to the NPAs on the Federal Procurement process and negotiation techniques, including refresher training, on an annual basis.

**3.3.3.2: AbilityOne Workforce Training.** The CNA shall develop and provide training programs, independently or in cooperation with the other CNA(s), that develop the knowledge, skills and upward mobility potential of individuals who are blind or who have significant disabilities employed at AbilityOne qualified NPAs. Such training may include the use of business software programs, leadership skills, or specific technical certifications.

**3.3.3.3: CNA Staff Training.** The CNA shall ensure that a sufficient number of CNA staff members have the necessary knowledge, skills, and abilities to effectively perform CNA technical duties, to include knowledge of the Federal Procurement process, cost and price analysis, and Agreement administration.

**3.3.3.4: Training Reports.** Annually, no later than January 31, the CNA shall provide training and employee development reports to the Commission with highlights provided in each Quarterly Report submission. The training reports shall include, but are not limited to, the number of employees trained, type of training provided, training description, source of training, duration of training, future training opportunities, and training results.

**OBJECTIVE 3.4 STRATEGIC COMMUNICATIONS****3.4.1: Strategic Communications**

**Scope of Strategic Communications.** For the purposes of this Agreement, the term “Strategic Communications” is used to describe both the Strategic Communications function, the Government Affairs and Public Policy function of the CNA, and the Commission Government Affairs function. However, no hierarchical relationship is implied. The Government Affairs and Public Policy function may be referred to separately in this Agreement. The scope of Strategic Communications refers to AbilityOne Program-related activities.

Within this scope, the CNA shall consider Strategic Communications to include Program-related communication activities conducted by other functions within the organizations including, but not limited to, business development meetings with federal customers at senior levels as described in this section. Regarding business development meetings: proprietary information unrelated to the AbilityOne Program will be redacted. Strategic Communications includes communications with key AbilityOne Program stakeholders in senior level positions and roles (e.g., CNA Board of Directors, CNA staff including CEO/all VP levels, and Directors, and CNA Senior Leaders in geographic or other structural positions who meet with military or civilian commanders, Federal Senior Executive Service, Executive Leaders, Flag Officers, Political Appointees, including the Executive Branch/Administration) as well as the scope and nature of the meeting (e.g., discussions on policy, budget or advocacy, MOA/MOUs related to the AbilityOne Program, and program/project plans/initiatives or other AbilityOne Program matters, as identified by the Commission).

Within Strategic Communications, the following six (6) elements shall be considered minimum elements for the purposes of the Quality Assurance Surveillance Plan (QASP). Each of these minimum elements will be rated based on the regularly recurring deliverables listed below. Deliverables not provided on a regular recurring basis, and not part of the other minimum elements will be rated as part of the Public Relations minimum elements otherwise determined by the Commission.

**1) 3.4.1.1: Provide Written Notice to the Commission Prior to Significant Meetings or Events.**

3.4.1.1: Deliverable - Significant Meeting Notification

**2) 3.4.1.2: Plans.**

3.4.1.2: Deliverable – Strategic Communications Annual Plan

**3) 3.4.1.3: Publications.**

**4) 3.4.1.4: Web and Social Media.**

3.4.1.4: Deliverable – Web and Social Media Quarterly Report.

**5) 3.4.1.5: Public Relations.**

3.4.1.5.1: Writing and Editing.

3.4.1.5.2: Meetings, Events, and Conferences.

3.4.1.5.3: Deliverable -- Communications Audits and Measurement.

3.4.1.5.4: Deliverable -- Quarterly Activities Report.

3.4.1.5.5: Deliverable -- Annual Activities Report.

**6) 3.4.1.6: Advertising and Market Research.**

3.4.1.6.1: Deliverable -- Annual calendar of proposed AbilityOne Program ad placements.

3.4.1.6.2: Deliverable – Market Research and Surveys.

Within the QASP Strategic Communications section, performance refers to products and services consistent with recognized standards of research, planning, implementation, evaluation and outcomes established by professional associations.

The Commission acknowledges that Strategic Communications Support and Collaboration-- including as related to public relations, marketing, conferences, media, agency officials and other senior government personnel-- are part of the CNA's work under this Agreement and may be performed by the CNA using Program Fee.

**3.4.1.1: Providing Written Notice to the Commission Prior to Significant Meetings or Events.** To the extent practicable, the CNA shall ensure the Commission has notice in writing, at least ten (10) business days in advance, of significant meetings. In the event of a CNA concern about the Commission or AbilityOne Program, the Commission encourages the CNA to seek resolution with the Commission of any concerns prior to significant meetings. Significant meetings and events include meetings with key stakeholders, Congressional members and staff, White House and Executive Office of the President, and public-facing engagement with members of the disability community regarding the AbilityOne Program. The CNA acknowledges and agrees that it is not authorized to represent or advocate on behalf of the Commission or the AbilityOne Program to Congressional members and staff, White House and Executive Office of the President or other key stakeholders. This does not infringe upon the CNA's right to represent theirs of the NPAs' interests.

“Significant meetings” generally refer to the position and level of the participants and include but are not limited to CNA Board of Directors, CNA VPs and above whom are meeting with military or civilian commanders, federal Senior Executive Service, Executive Leaders, Flag Officers, and Political Appointees, including the Executive



Branch/Administration. The “disability community” generally refers to a group or organization of disability consumers, advocacy and/or activist groups. The CNA shall not communicate a Commission position that has not been coordinated with the Commission.

**3.4.1.2: Plans.** The CNA shall submit an annual Strategic Communications plan, no later than October 1, to the Commission. Content should include the CNA’s planned activities, including activity under each of the 6 minimum elements (see 3.4.1), for CNA Strategic Communications activities paid for with fees charged under this Agreement. The Commission may require certain format and content elements. The Commission may request support for planning, as well as request coordination and / or approval of Program-related CNA Strategic Communications plans, for selected activities and events.

**3.4.1.3: Publications.** Each year the CNA shall provide the necessary support and resources to ensure the timely design and production of one major publication to communicate information about the AbilityOne Program to key audiences. The Commission will provide substantive requirements and timelines to the CNA at least 90 days prior to the publication deadline. Exceptions will be addressed on a case by case basis. Additional publications may be identified by the Commission for support and negotiated separately with the CNA. Publications may include the Annual Report, AbilityOne Magazine, and Procurement Guide Book. As requested by the Commission, the CNA shall revise and/or update publications.

**3.4.1.4: Web and Social Media.** The CNA shall provide technical support and assistance to the Commission in providing web and social media content. The CNA shall submit quarterly reports to the Commission that include web and social media analytics, and descriptions of significant content, consistent with industry best practices or such others as may be determined by the Commission. The Commission will consult with the CNA on web and social media activities as needed.

**3.4.1.5: Public Relations.** Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics. As requested by the Commission, and consistent with available resources, the CNA shall support planning of special Commission events and related media coverage, and special media campaigns. The CNA shall provide the Commission with advance notification of potential speaking engagements involving Commission members or staff at least 10 business days before such individuals are contacted. The CNA shall share messaging, media relations and crisis communications with Commission Public Affairs in a timely

manner that provides the Commission with advance and appropriate situational awareness.

**3.4.1.5.1: Writing and Editing.** The CNA shall provide writing and editing and planning support to the Commission, as required, for activities and events on a frequency to be coordinated by the CNA and the Commission consistent with available resources. The Commission and the CNA will separately agree on the specific requirements and timelines prior to the commencement of work by the CNA on each assignment.

**3.4.1.5.2: Meetings, Events and Conferences.** Consistent with available resources, the CNA shall provide support and resources, including plaques or presentation items, for effective AbilityOne Program meetings, events and conferences, including outreach to NPAs, members of the disability community, and government customers.

**3.4.1.5.3: Communications Audits and Measurement:** As requested by the Commission, and consistent with available resources, the Commission may require the CNA to provide measurements of Strategic Communications activities, including as part of a communications audits, of its overall Strategic Communications to systematically assess capability and capacity for, or performance of, essential Strategic Communications activities practices. A communications audit shall be conducted using standard communications audit practices and include any key areas suggested by the Commission. As may be reasonably required by the Commission, communications audits and measurement shall include historical information, as well as information related to NPA Strategic Communications. Measurement information and communications audit report results shall be submitted in 30 days.

**3.4.1.5.4: Quarterly Activities Report:** The CNAs shall provide quarterly activities reports on: (1) Program-related Strategic Communications, and (2) Government Affairs and Public Policy. As may be required by the Commission, reports shall include, but not be limited to, information about past, present and future internal and external activities such as events, programs, initiatives, key stakeholder engagement and outreach, executive communications, surveys, focus groups, web and social media assessments, and associated metrics. The report shall be submitted at the end of each quarter, as part of the quarterly report, in a standardized format agreed to by the parties and, as needed, include additional content as may be directed by the Commission.

**3.4.1.5.5: Annual Activities Report:** The CNA shall submit an annual report, no later than January 31, beginning in 2019, summarizing selected Quarterly Activities Reports elements identified by the Commission for the preceding year.

**3.4.1.6: Advertising and Market Research.**

**3.4.1.6.1: Advertising and Supporting Materials.** The CNA shall coordinate with the Commission on advertising to include timing, content and placement on a schedule that provides the Commission advance notice to avoid unnecessary duplication and expenditure of resources. Where appropriate, the CNA shall reference the AbilityOne Program in all of its Program-related advertising to explicitly link the CNA and the AbilityOne Program-related activities. The CNA shall submit an annual calendar of proposed AbilityOne Program ad placements no later than thirty (30) days before the annual period begins and subject to quarterly review.

The CNA shall, to the extent practicable, submit all advertisements, including conference or exhibit materials targeted at federal audiences, for review and/or approval at least thirty (30) days before the ad creative is printed or finalized with the designer. Federal audiences include Base Supply Center customers and attendees at trade shows at which military or Federal customers are expected (e.g., Association of the United States Army or National Contract Management Association conferences). Advertising must refer to the CNA in the appropriate format as listed below in 3.4.5 Trademark and Licensing Agreement. Approved formats shall be deemed “pre-approved” for additional use until otherwise specified by the Commission. The CNA shall consult with the Commission when obtaining paid display advertising for or about the AbilityOne Program, to include the CNA’s role as an Authorized AbilityOne Enterprise. As appropriate, the CNA shall maintain and distribute public service advertising about the AbilityOne Program in consultation with Commission. As appropriate, the CNA shall provide signs, posters or other large scale graphics as needed for promotional purposes.

**3.4.1.6.2: Market Research Analysis and Surveys.** Quarterly, the CNA shall provide an analysis of any the market research and/or surveys conducted related to the AbilityOne Program. Market research includes primary and secondary research. The CNA shall conduct awareness, understanding and/or customer and satisfaction surveys. Survey audiences include, but are not limited to, Federal customers, NPAs, and/or AbilityOne employees. AbilityOne Program-related surveys will be conducted in consultation with the Commission to support

Commission communication initiatives and measurements. The CNA shall provide both notice to the Commission and an opportunity to review survey questions and methodologies at least thirty (30) days before any AbilityOne program-related survey is conducted. The CNA shall provide the Commission with all AbilityOne program-related survey results and analysis no later than thirty (30) days after the survey results are available. Quarterly, the CNA shall provide an analysis of the market research and surveys conducted related to the AbilityOne Program.

**3.4.1.7: Strategic Communications Focus Areas.** Within the scope of Strategic Communications, focus areas include, but are not limited to, the following to the extent that they are directly related to the Program:

1. All communications activities including public relations, as well as tools that support general education of Federal customers;
2. Marketing and positioning of the AbilityOne Program, at the high level, including price, product/message, promotion, and placement;
3. Inventory of products and services, including a portfolio of solutions, how to position them, and geography/reach;
4. Reputation management and relationship management, including supporting tools;
5. Research that is informing and directional;
6. Industry analysis; and
7. Tracking, reporting and, as needed, analyzing the status and progress of issues including key legislative, regulatory, association and other government affairs actions, activities, proposals, processes and programs on both the state and Federal level that have implications for the AbilityOne Program. Government Affairs and Public Policy reporting should encompass, as needed and as appropriate, all branches of government – executive, legislative and judicial.
8. Within this Section, where the Commission specifically requests support from the CNA in a performance work statement, it shall be understood that the Commission will direct that support unless otherwise agreed by the parties.

**3.4.1.8: Collaboration and Alignment.** The CNA and the Commission will share information and work collaboratively to create and optimize transparency, alignment, two-way communication, awareness, understanding and preference for the AbilityOne Program among internal and external audiences. The CNA shall consult with the Commission on research, planning, execution and measurement of tactical and strategic

activities within AbilityOne Program-related Strategic Communications, including Government Affairs and Public Policy, on an as-needed basis or as scheduled by the Commission.

The CNA shall share content with the Commission, and recommend and implement strategies and tactics to provide clear, consistent, cohesive and aligned AbilityOne Program Strategic Communications, and Government Affairs and Public Policy. The CNA shall support and participate in AbilityOne Program team meetings for Strategic Communications, and Government Affairs and Public Policy, as scheduled by the Commission. Unless otherwise indicated, the Commission points of contact for consultations and submitting reports are (1) Strategic Communications -- Commission Public Affairs Specialist, and (2) Government Affairs and Public Policy – Commission Senior Advisor.

The Commission's Senior Advisor and the CNA's VP, Communications shall meet as needed but not less than semi-annually to ensure functional alignment. The Commission's Senior Advisor and the CNA's VP, Public Policy shall meet as needed.

**3.4.1.9: Trademark and Licensing and Sublicensing of AbilityOne name, trademark, and logo.** The Commission is the sole owner of the registered trademark AbilityOne®. This name and the AbilityOne logo are the official recognition marks of the AbilityOne Program. The Commission hereby grants to the CNA a world-wide, non-exclusive, royalty-free use of the trademark and logo while the CNA is acting in its responsible and authorized role as a CNA in the AbilityOne Program. Additionally, the CNA is authorized to further grant a world-wide, non-exclusive, royalty-free use of the trademark and logo as a Sub-License to qualified NPAs in the AbilityOne Program. To the extent this provision includes any substantive changes from the prior clause in the Cooperative Agreement, the language herein supersedes any prior Licensing and Sub-licensing Agreements previously issued.

In particular, although not limited to, the Licensee or Sub-Licensee will use the trademark and logo as follows:

- a) in a tagline following the CNA's name as follows: "(CNA Name), An AbilityOne® Authorized Enterprise";
- b) in a tagline following the NPAs (Sub-Licensee's) name as follows: "(NPA name), An AbilityOne® Authorized Provider";
- c) in any professional manner wherein the CNA is performing its delegated responsibilities as a designated CNA; and
- d) in connection with Licensee's/Sub-Licensee's manufacturing, packaging, processing, advertising, promoting, distributing and selling of goods and

services on the Procurement List of the Committee and which are sold to the Federal Government.

The CNA shall adhere to all terms of the license granted under this Agreement and use the trademark and logo in such a way as to professionally promote the AbilityOne Program and the CNA's status as a CNA designated by the Commission pursuant to 41 U.S.C. § 8503(c). The CNA agrees that such use of the trademark and logo will be accomplished so that there is no appearance of the Commission or Government endorsement or authorization of, or affiliation with the CNA and the NPA Sub-Licensee, other than as such affiliation is specified herein between the Commission and the CNA or NPA Sub-Licensee. More specifically, the CNA or NPA Sub-Licensee shall not use the trademark and logo in communicating with Members of Congress or their staffs, Executive agency senior leaders or their staffs, or other individuals or entities not affiliated with the AbilityOne Program in any manner that could appear that the Commission authorized, approved or agrees with the contents of the communication without advance approval by the Commission.

As authorized by this subsection, the CNA shall further grant sub-license for use of the trademark AbilityOne® with each of the qualified NPAs; when discovered by the CNA, report infractions of use by any Sub-Licensee to the Commission (to the extent the CNA is aware) and take corrective action as needed. The CNA shall monitor and supervise the use of the trademark and logo, reporting any inappropriate use discovered by the CNA to the Commission (to the extent the CNA is aware).

The Commission retains all rights, authorities and use of the AbilityOne, AbilityOne Program or AbilityOne Commission name, trademark, and logo. The CNA hereby acknowledges and agrees that the Commission is the sole owner of the trademark and logo, the goodwill pertaining thereto, and that nothing contained herein shall constitute an assignment of the trademark or logo, or grant to the CNA of any right, title or interest therein, except the right to use it as set forth herein.

The execution of this Agreement supersedes any and all authorities granted in previous licensing agreements, and the separate written agreements between the CNA and qualified NPAs, upon the effective date of this Agreement.

#### **4.0: Program Performance Objectives and Deliverables**

The CNA shall submit all reports to the Commission in accordance with this Agreement and as identified in Section G Attachment 1, Deliverables Schedule. Each report shall include the

established key performance indicators and associated metrics as identified in Section E Attachment 1, Deliverables Schedule, and Attachment 2, Quality Assurance Surveillance Plan. If a deliverable due date falls on a weekend or government holiday, the CNA shall submit the deliverable on the following business day.

NOTE: As mutually agreed to by both parties, the first Quarterly Reporting Deliverables shall be submitted to the Commission (via electronic delivery at [NIBDeliverables@AbilityOne.gov](mailto:NIBDeliverables@AbilityOne.gov)) 45 days after the completion of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters, and 60 days after completion of 4<sup>th</sup> quarter (February 15, May 15, August 15, and November 30). This does not apply to Quarterly CNA Fees and Expenditures Reports required by Congress which shall be submitted within thirty (30) days after the end of each FY Quarter, unless otherwise defined above.

The CNA shall maintain complete records of all fees collected in accordance with 41 C.F.R. § 51-3.5 as well as expenditures of such fees in accordance with the Consolidated Appropriations Act and as agreed to in this Agreement. The CNA shall provide the Commission copies of required CNA Fee and Expenditure reports, Sections 4.1 and 4.2, and documents necessary for the Commission to submit to Congress pursuant to Public Law 114-113, Consolidated Appropriations Act, 2016, on a quarterly basis, at the end of each FY quarter. The CNA shall provide 87.5% (7 out of 8) of CNA fee and expenditure reports in a complete, accurate, and timely manner on first submission. Any deficiencies identified by the Commission must be corrected within fifteen (15) business days.

**4.1: CNA Fees Report.** The CNA Fees Report shall include the following:

1. Each fee charged pursuant to Section 51-3.5 of title 41, Code of Federal Regulations;
2. Each NPA charged a fee pursuant to Section 51-3.5 of title 41, Code of Federal Regulations; and
3. For each fee charged, for each government order, include name of NPA, description of product or service ordered, ordering government agency, order price (total), and contract award ID associated with any order, where applicable.

**4.2: CNA Expenditure Report.** The CNA Expenditures Report shall include the following:

1. Employee Salaries (total), including executive salaries;
2. Employee benefits, including executive benefits;
3. Executive salaries;
4. Executive benefits;
5. Total Travel Expenses;
6. Executive Travel;
7. Lobbying;
8. Advertising and Promotion;
9. CNA reserve level (restricted and unrestricted); and

10. Funds spent to support the efforts of the Commission, including a description of the activities, services, and products supplied to the Commission.

**4.3: Program Fee Expenditure Treatment and Reporting.** Except as otherwise authorized by this Agreement, the JWOD Act, 41 U.S.C. Chapter 85, or implementing regulations 41 C.F.R. Chapter 51, Program Fee expenditures must meet the following general criteria to be allowable under this Agreement:

1. Be necessary and reasonable for the performance of this Agreement and be allocable thereto under these principles;
2. Not to include any of the following expenditures (see 2 C.F.R. §§ 200.400 – 475):
  - a. Alcoholic beverages
  - b. Bad debts if related to non-Program income
  - c. Collections of improper payments (see 2 C.F.R. § 200.428)
  - d. Compensation and related fringe benefits for personal services
  - e. Compensation and related fringe benefits for personal services (executive)
  - f. Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements related to CNA fraud or similar misconduct where such conduct is established.
  - g. Exchange rates
  - h. Fines, penalties, damages and other settlements
  - i. Goods or services for personal use by CNA staff or Board members (does not include accommodations)
  - j. Taxes (see 2 C.F.R. § 200.470)
3. Be consistent with policies and procedures that apply uniformly to both Program activities and other activities of the CNA;
4. Be accorded consistent treatment. A cost may not be assigned to this Agreement as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to this Agreement as an indirect cost;
5. Be determined in accordance with generally accepted accounting principles (GAAP), except, as otherwise provided;
6. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period; and
7. Be adequately documented.

Quarterly the CNA shall report total CNA Program Fee related expenses recorded for section C.4.3.2 above and each of the following:



1. Advertising and public relations;
2. Advisory councils;
3. Audit services;
4. Bonding costs;
5. Conferences;
6. Contributions and donations;
7. Depreciation;
8. Entertainment costs;
9. Equipment and other capital expenditures;
10. Fund raising and investment management costs;
11. Gains and losses on disposition of depreciable assets;
12. General costs of governance;
13. Insurance and indemnification;
14. Interest;
15. Maintenance and repair costs;
16. Proposal costs;
17. Publication and printing costs;
18. Rental costs of real property and equipment;
19. Selling and marketing costs;
20. Termination costs;
21. Training and education costs for CNA employees;
22. Travel costs; and
23. Travel costs (Executive).

**4.4: Performance Monitoring.** The Commission will monitor and measure the CNA's service performance under the agreement to determine if services provided are satisfactorily performed and meet performance requirements of the PWS to ensure compliance with the terms and conditions of this Agreement. The Commission and the CNA shall work cooperatively to address any areas of improvement identified by the Commission.

#### **5.0: QUALITY CONTROL PLAN (QCP)**

The CNA shall develop and maintain effective quality control procedures to ensure services are performed in accordance with the PWS in this Agreement. All work performed under this Agreement shall be consistent with industry standards to assure timely provision of services and optimum customer satisfaction. The CNA shall develop and implement procedures to identify and ensure services are provided at the required level of performance for all elements of this Agreement. CNA performance requiring corrective actions include, but are not limited to, items such as late performance or submission of defective or late reports on a recurring basis or failure to perform a required task.

The CNA shall submit an initial QCP to the Commission no later than thirty (30) days after the effective date of this Agreement. The QCP will be reviewed and approved by the Commission and the CNA will be notified if there are any deficiencies. The CNA will have thirty (30) days to correct any deficiencies, if required. The CNA must ensure the QCP is in operation throughout the entire term of the agreement. The CNA shall prepare and implement a written QCP as described below.

**5.1: Minimum Requirements of QCP.** The following are the minimum requirements for a QCP to be provided and maintained by the CNA:

1. The CNA shall ensure the required services specified in this Agreement meet the quality standards outlined in the Agreement. The CNA shall implement a nationally recognized QCP, such as but not limited to ISO 9001, to align with quality control standards for similar organizations. The CNA shall provide copies of certifications and external audit reports as applicable. The CNA shall ensure delivery of the required services specified in this Agreement meet the quality standards outlined in the Agreement;
2. The CNA is responsible for the day-to-day inspection and monitoring of all CNA work performed to ensure compliance with Agreement requirements;
3. The results of all quality control inspections conducted by the CNA, including inspections and assistance visits at the NPAs, shall be documented on inspection reports and provided to the Commission upon request. The inspection reports shall be submitted to the Commission no later than ten (10) days after requested; and
4. The CNA shall revise the QCP as requested by the Commission, in an effort to ensure Agreement objectives are met. All revisions must be submitted to, reviewed and approved by the Commission before becoming effective.

The QCP shall include, but not be limited to:

**A. SUSTAINING ACCEPTABLE QUALITY LEVELS (AQLs):** The CNA shall deploy methods to identify, correct, and prevent defects in quality service levels before the service level becomes unsatisfactory. (See Section G Attachment 2, Quality Assurance Surveillance Plan (QASP)).

**B. RECORDS AND FILES:** The CNA shall maintain records, reports, and files to document the inspections conducted by the CNA and any necessary corrective action taken (as appropriate). Copies of all QCP related inspection reports and other documents shall be made available to the Commission when requested. All such documents shall be maintained by the CNA.

## **6.0: QUALITY ASSURANCE SURVEILLANCE PLAN**

**6.1: General.** The Commission will evaluate the CNA's performance under this Agreement in accordance with the QASP (See Section G Attachment 2). This QASP will serve as a guide for all parties involved to ensure the CNA is providing the Commission and NPAs the support and services required by this agreement. The QASP defines how the performance standards will be applied, the frequency of surveillance, and the minimum acceptable performance levels.

**6.2: Business Relationship.** The Parties agree to cooperate under the terms of this Agreement to both provide and increase employment and training opportunities for persons who are blind through the delivery of products and services to the Federal Government customers. Nothing in this Agreement shall be construed to create a legal partnership or joint venture between the CNA and the Commission.

In order to have an effective Agreement administration program that also ensures a successful business relationship between the Commission and the CNA, all parties involved in the service delivery process must work as a team and foster open and honest communication at all times. Close coordination and active cooperation on a continuous basis between the CNA and those representing the AbilityOne Program is critical.

**6.3: Commission/CNA Win-Win Communications.** To avoid any unnecessary issues and controversy and to settle minor problems and misunderstandings, the CNA and the Commission shall meet monthly during the term of the Agreement unless otherwise agreed to by both parties. The intent is to ensure that the operating environment under this Agreement evolves in an interactive positive and effective manner. A mutual effort shall be made to resolve problems identified during these meetings. The participants in these meetings will be determined by the Commission and the CNA. Specific topics to be addressed during these meetings may include such topics as listed below or any other areas that require discussion:

1. Effectiveness of CNA's Quality Control Plan
2. Quality Assurance Surveillance Plan Performance evaluation
3. Corrective action plans
4. PL submittals for new lines of business
5. Management of NPAs and their support and development
6. Employee Growth
7. New Lines of Business

**6.4: Performance Evaluation.** The CNA is expected to provide effective and efficient services at all times. The Commission will conduct performance evaluations in accordance

with the QASP, see Section G Attachment 2. During the life of the agreement, the CNA will be expected to document and maintain records of their QCP.

As a means of ensuring transparency into Program achievements and to establish performance incentives and defined consequences, both parties agree to the following:

1. **Public Posting of CNA Performance Achievements:** The Commission reserves the right to publicly post the results of the CNA performance achievements on AbilityOne.gov. Prior to publicly posting the performance achievements, the Commission will give the CNA a period of time in which to provide feedback.
2. **Program Fee Ceiling Determination:** The CNA's performance of requirements under this Agreement, and the Commission's application of the QASP thereto, shall be factors the Commission considers as part of the review of the Program Fee ceiling determination. Based on CNA performance, the Program Fee will be set accordingly. Any Commission Program Fee ceiling determination shall be effective on all contracts, including but not limited to, new or renewed contracts and/or modifications to terms of the NPA's contracts.

**6.5: Effectiveness of Quality Control.** The Commission will periodically assess the effectiveness of the CNA's QCP through review of reports required of the CNA, service delivery information, and customer interaction. The quality and timeliness of the CNA's performance of the scheduled program, service call responses and occupant feedback program will be used to assess the overall service delivery. If the CNA fails to adhere to the Agreement requirements and the CNA's performance remains unsatisfactory, it will have a negative impact in the performance evaluation process. Failure to provide required documentation will have a negative impact on the performance evaluation process. See also paragraph 6.4 above and Attachment 2, QASP.

**SECTION D – AGREEMENT ADMINISTRATION****1. TERM OF AGREEMENT**

- A. The period of performance for this Agreement is as follows:
- a. Base Period: December 17, 2018 to December 16, 2019
  - b. Option Period 1: December 17, 2019 to December 16, 2020
  - c. Option Period 2: December 17, 2020 to December 16, 2021
  - d. Option Period 3: December 17, 2021 to December 16, 2022
  - e. Option Period 4: December 17, 2022 to December 16, 2023
- B. The Commission may extend the term of this Agreement by written notice to the CNA not later than the last day of the performance term. The Commission shall provide the CNA a preliminary written notice of its intent to extend this Agreement at least sixty (60) days before the end of the term. The preliminary notice of intent to extend does not commit the Commission to an extension. This Agreement may be extended for two (2) six-month terms.
- C. Prior to termination, the Parties agree to work cooperatively in good faith to address any concerns or proposed grounds for termination.
- D. The Agreements Officer will write a written determination as to whether it is appropriate to exercise an option period. The Agreements Officer may exercise an option only after determining:
1. The requirement covered by the full option fulfills an existing need
  2. The exercise of the option period is the most advantageous method of fulfilling the Government's need. The government shall notify the CNA in writing at least ninety (90) days prior to the end of the performance period of the intent to exercise an option.

**2. DISPUTE RESOLUTION**

If the key officials are unable to resolve a dispute concerning this Agreement within thirty (30) days, they shall refer the dispute to the following officials, who will confer within fifteen (15) days of the referral in order to resolve the dispute:

For the Commission:

Name: Kel Woods

Title: Commission Chief of Staff

Address: Commission Headquarters

Phone: 703-603-2120

E-Mail: kwoods@abilityone.gov

For the CNA:

Name: Kevin Lynch

Title: President/CEO

Address: NIB Headquarters

Phone: 703-310-0502

E-Mail: klynch@nib.org

If the Commission Chief of Staff and the CNA Chief Executive Officer or his/her designee are not able to resolve the dispute within fifteen (15) days, the matter shall be escalated to the Deputy Executive Director and/or Executive Director of the Commission who, in consultation with the Chair of the Commission Stewardship and Business Excellence Subcommittee, will make a determination for final resolution. Such determination shall be the final decision to resolve the dispute. Nothing herein shall limit or waive the CNA's right to pursue judicial review of terms of this Agreement or of any action or decision related to this Agreement except where otherwise prohibited in this Agreement or by law.

### **3. SEVERABILITY**

If any particular term, covenant, or provision of this Agreement is determined to be invalid or unenforceable, the invalidity or unenforceability thereof will not affect the remaining provisions of this Agreement, which will nevertheless remain in full force and effect.

### **4. MODIFICATION AND TERMINATION**

A. Modifications: Except as otherwise stated herein, this Agreement may be modified only by a written instrument.

- 1) Bilateral Modifications. Bilateral Modifications are executed by mutual agreement of the parties.
- 2) Unilateral Modifications. The Commission reserves the right to make unilateral modifications to the Agreement, in the following circumstances:
  - 2a) To effectuate administrative changes, Quality Assurance Surveillance Plan (QASP) changes, and
  - 2b) As a result of non-compliance with material terms and conditions of this Agreement, including a failure to meet the expected performance goals by the

CNA, as outlined in this Agreement. The modifications will align with the area(s) of non-compliance.

B. Termination. The Agreement may be terminated, in whole or in part, consistent with terms and conditions of this Agreement, the JWOD Act, 41 U.S.C. Chapter 85, applicable Federal law, and Commission regulations and policies as follows:

- 1) By the Commission, if the CNA fails to comply with the terms and conditions of this Agreement;
- 2) By the Commission for convenience; or
- 3) By the Commission for cause;
- 4) The Commission shall give not less than one-hundred (180) days' notice of termination to the CNA to effect a seamless transition of the CNA responsibilities.
- 5) By the CNA, upon providing up to 180 days' notice of termination to the Government.

C. In the event of expiration or termination of this Agreement, the CNA may collect:

- 1) Any and all fees accrued but not collected pursuant to Section B of this Agreement through the effective expiration or termination date from qualified NPA; and,
- 2) Any and all additional payments, including those pursuant to Section B.1 for work performed by the CNA under this Agreement and/or in accordance with relevant statutory and regulatory requirements.

D. Prior to termination, the Parties agree to work cooperatively in good faith to address any concerns or proposed grounds for termination.

## **5. THIRD PARTY BENEFICIARIES**

Nothing in this Agreement is intended to create third party beneficiaries. No person or entity, including but not limited to NPAs, qualified or otherwise, or any person(s) at one time employed by or seeking employment with an NPA, has any rights or remedies under this Agreement.

**SECTION E – CLAUSES AND PROVISIONS****1. SYSTEM FOR AWARD MANAGEMENT MAINTENANCE**

(a) Definitions. As used in this clause—

“Data Universal Numbering System (DUNS) number,” as used in this clause, means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities, which is used as the NPA identification number.

“System for Award Management (SAM)” means the primary Government repository for prospective Federal awardee and Federal awardee information and the centralized Government system for certain contracting, grants, and other assistance-related processes.

**2. RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT**

(a) Except as provided in (b) of this clause, the CNA shall not enter into any agreement with an actual or prospective qualified NPA or subcontractor, nor otherwise act in any manner, which has or may have the effect of restricting sales by such entity directly to the Government of any item or process (including computer software) made or furnished by the entity under this Agreement or under any follow-on related agreement, contract, or subcontract, or otherwise infringe on the entity’s ability to compete for CNA designation.

(b) The prohibition in (a) of this clause does not preclude the CNA from asserting rights that are otherwise authorized by law or regulation. For the acquisitions of commercial items, the prohibition in paragraph (a) applies only to the extent that an agreement restricting sales by subcontractors results in the Federal Government being treated differently from any other prospective purchases for the sale of the commercial item(s).

**3. EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS**

(a) Employees working on this Agreement will be covered by the whistleblower rights and remedies in the pilot program on CNA employee whistleblower protections established at 41 U.S.C. § 4712.

(b) The CNA shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. § 4712.



#### **4. UPDATES OF PUBLICLY AVAILABLE INFORMATION REGARDING RESPONSIBILITY MATTERS**

The CNA shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of this agreement, by posting the required information in the System for Award Management database via <https://www.acquisition.gov>.

#### **5. AUDIT AND RECORDS—NEGOTIATION**

(a) As used in this clause, “records” includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. The CNA shall preserve all records containing appropriate documentation of its organization, function, policies and procedures. The CNA shall also preserve all documentation related to the AbilityOne Program and relative to critical decisions and essential CNA/NPA transactions associated with its responsibilities pursuant to 41 U.S.C. § 8503(c), and 41 C.F.R. § 51-3

(b) Examination of costs. The CNA shall maintain and the Agreement Officer, or an authorized representative of the Agreement Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this Agreement. This right of examination shall include inspection at all reasonable times of the CNA’s facilities, or parts of them, engaged in performing the Agreement.

(c) Comptroller General. —

(1) The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the CNA’s directly pertinent records involving transactions related to this Agreement or a subcontract hereunder and to interview any current employee regarding such transactions.

(2) This paragraph may not be construed to require the CNA or subcontractor to create or maintain any record that the CNA or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(d) Reports. If the CNA is required to furnish cost, funding, or performance reports, the Agreement Officer or an authorized representative of the Agreement Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating—

(1) The effectiveness of the CNA's policies and procedures to produce data compatible with the objectives of these reports; and

(2) The data reported.

(e) Availability. The CNA shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), (d), and (e) of this clause, for examination, audit, or reproduction, until three (3) years after final payment under this Agreement or for any shorter or longer period required by statute or by other clauses of this Agreement.

## **6. NOTICE TO THE GOVERNMENT OF LABOR DISPUTES.**

If the CNA has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Agreement, the CNA shall immediately give notice, including all relevant information, to the Agreement Officer.

## **7. CONVICT LABOR**

(a) Except as provided in paragraph (b) of this clause, the CNA shall not employ in the performance of this Agreement any person undergoing a sentence of imprisonment imposed by any court of a State, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands.

(b) The CNA is not prohibited from employing persons—

(1) On parole or probation to work at paid employment during the term of their sentence;

(2) Who have been pardoned or who have served their terms; or

(3) Confined for violation of the laws of any of the States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands who are authorized to work at paid employment in the community under the laws of such jurisdiction, if—

(i) The worker is paid or is in an approved work training program on a voluntary basis;

(ii) Representatives of local union central bodies or similar labor union organizations have been consulted;

(iii) Such paid employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services;

(iv) The rates of pay and other conditions of employment will not be less than those paid or provided for work of a similar nature in the locality in which the work is being performed; and

(v) The Attorney General of the United States has certified that the work-release laws or regulations of the jurisdiction involved are in conformity with the requirements of Executive Order 11755, as amended by Executive Orders 12608 and 12943.

## **8. PRIVACY ACT NOTIFICATION**

The CNA will be subject to the Privacy Act of 1974 (5 U.S.C. § 552a) and applicable Commission regulations, when conducting AbilityOne Program qualified NPA site visits and/or in the event the CNA has reason to inspect personally identifiable information maintained for AbilityOne Program purposes. Violation of the Privacy Act may involve the imposition of criminal penalties.

## **9. RESTRICTIONS ON CERTAIN FOREIGN PURCHASES**

(a) Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the CNA shall not acquire, for use in the performance of this Agreement, any supplies or services if any proclamation, Executive Order, or statute administered by OFAC, or if OFAC's implementing regulations at 31 CFR Chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.

(b) Except as authorized by OFAC, most transactions involving Cuba, Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC's List of Specially Designated Nationals and Blocked Persons at <http://www.treas.gov/offices/enforcement/ofac/sdn>. More information about these restrictions, as well as updates, is available in the OFAC's regulations at 31 CFR Chapter V and/or on OFAC's website at <http://www.treas.gov/offices/enforcement/ofac>.

## **10. PRIVACY OR SECURITY SAFEGUARDS**

(a) The CNA shall not publish or disclose in any manner, without the Agreement Officer's written consent, the details of any safeguards either designed or developed by the CNA under this Agreement or otherwise provided by the Government.

(b) To the extent required to carry out a program of inspection to safeguard against threats and hazards to the security, integrity, and confidentiality of Government data, the CNA shall afford the Government access to the CNA's facilities, installations, technical capabilities, operations, documentation, records, and databases.

(c) If new or unanticipated threats or hazards are discovered by either the Government or the CNA, or if existing safeguards have ceased to function, the discoverer shall immediately bring the situation to the attention of the other party.

## **11. BANKRUPTCY**

In the event the CNA enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the CNA agrees to furnish, by certified mail or electronic commerce method authorized by this Agreement, written notification of the bankruptcy to the Agreement officer responsible for administering this Agreement. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of government contract numbers and contracting offices for all government contracts against which final payment has not been made. This obligation remains in effect until final payment under this agreement.

## **12. DATA RIGHTS**

(a) Pursuant to 41 U.S.C. § 8503(e) and this Agreement, the CNAs shall conduct studies, analyses, evaluations, test data, research, pilots, or similar work at the request of the Commission. Any reports, data, research results or other information yielded from such activities shall be the property of the Commission. The right of Government ownership also applies to existing data the CNA may possess as the result of such studies, analyses, evaluations, test data, research, pilots, or similar work at the request of the Commission prior to the execution of this Agreement.

(b) As the owner of the data, the Commission shall have unlimited rights, including but not limited to technical data rights, consistent with the language stated in FAR Clause 52.227-17 addressing use and data rights for the Government as described in FAR Part 27.405-1, Special Works. If determined the Commission does not possess unlimited rights to the

technical data described in subsection (a), then the Commission holds and/or retains government purpose rights, for up to a five-year period to:

- i. Use, modify, reproduce, release, perform, display, or disclose the technical data within the Government without restriction; and
  - ii. Release or disclose the technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that technical data for Government purposes.
- (c) Any such studies, analyses, evaluations, test data, research, pilots, or similar work that require the CNA to contract with third parties shall include rights in data language that provides the Commission the same use and data rights in subsection (b).
- (d) Nothing in this Agreement shall be construed as limiting or impacting any data rights of the CNA or the CNA's right to maintain the confidentiality and ownership of proprietary information and processes.

### **13. BUSINESS ETHICS**

(a) *Definition.* As used in this clause--

“Agent” means any individual, including a director, an officer, an employee, or an independent Contractor, authorized to act on behalf of the organization.

“Full cooperation”—

(1) Means disclosure to the Government of the information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct. It includes providing timely and complete response to Government auditors' and investigators' request for documents and access to employees with information;

(2) Does not foreclose any CNA rights arising in law, the FAR, or the terms of the Agreement. It does not require—

(i) A CNA to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine; or

(ii) Any officer, director, owner, or employee of the CNA, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; and

(3) Does not restrict a CNA from—

(i) Conducting an internal investigation; or

- (ii) Defending a proceeding or dispute arising under the Agreement or related to a potential or disclosed violation.

“Principal” means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (*e.g.*, general manager; plant manager; head of a division or business segment; and similar positions).

“Subcontract” means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

“Subcontractor” means any supplier, distributor, vendor, or firm that furnished supplies or services to or for a prime contractor or another subcontractor.

“United States” means the 50 States, the District of Columbia, and outlying areas.

(b) Code of business ethics and conduct.

(1) Within 30 days after Agreement award, unless the Agreement Officer establishes a longer time period, the CNA shall—

- (i) Have a written code of business ethics and conduct;

- (ii) Make a copy of the code available to each employee engaged in performance of the Agreement.

(2) The CNA shall—

- (i) Exercise due diligence to prevent and detect criminal conduct; and

- (ii) Otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

(3) (i) The CNA shall timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Agreement Officer, whenever, in connection with the award, performance, or closeout of this Agreement or any subcontract thereunder, the CNA has credible evidence that a principal, employee, agent, or subcontractor of the CNA has committed—

- (A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

- (B) A violation of the civil False Claims Act (31 U.S.C. §§ 3729-3733).

- (ii) The Government, to the extent permitted by law and regulation, will safeguard and treat information obtained pursuant to the CNA’s disclosure as confidential where the information has been marked “confidential” or “proprietary” by the company. To the

extent permitted by the law and regulation, such information will not be released by the Government to the public pursuant to a Freedom of Information Act request, 5 U.S.C. Section 552, without prior notification to the CNA. The Government may transfer documents provided by the CNA to any department or agency within the Executive Branch if the information relates to matters within the organization's jurisdiction.

(iii) If the violation relates to an order against a Government-wide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the CNA shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic Agreement.

(c) *Business ethics awareness and compliance program and internal control system.* This paragraph (c) does not apply if the CNA has represented itself as a small business concern pursuant to the award of this Agreement or if this Agreement is for the acquisition of a commercial item. The CNA shall establish the following within 90 days after Agreement award, unless the Agreement Officer establishes a longer time period:

(1) An ongoing business ethics awareness and compliance program.

(i) This program shall include reasonable steps to communicate periodically and in a practical manner the CNA's standards and procedures and other aspects of the CNA's business ethics awareness and compliance program and internal control system, by conducting effective training programs and otherwise disseminating information appropriate to an individual's respective roles and responsibilities.

(2) An internal control system.

(i) The CNA's internal control system shall—

(A) Establish standards and procedures to facilitate timely discovery of improper conduct in connection with Government contracts; and

(B) Ensure corrective measures are promptly instituted and carried out.

(ii) At a minimum, the CNA's internal control system shall provide for the following:

(A) Assignment of responsibility at a sufficiently high level and adequate resources to ensure effectiveness of the business ethics awareness and compliance program and internal control system.

(B) Best efforts not to include an individual as a principal, whom due diligence would have exposed as having engaged in conduct that is in conflict with the CNA's code of business ethics and conduct.

(C) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the CNA's code of business ethics and conduct and special requirements of Government contracting, including—

(1) Monitoring and auditing to detect criminal conduct;

(2) Periodic evaluation of the effectiveness of the business ethics awareness and compliance program and internal control system, especially if criminal conduct has been detected; and

(3) Periodic assessment of the risk of criminal conduct, with appropriate steps to design, implement, or modify the business ethics awareness and compliance program and the internal control system as necessary to reduce the risk of criminal conduct identified through this process.

(D) An internal reporting mechanism, such as a hotline, which allows for anonymity or confidentiality, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports.

(E) Disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct.

(F) Timely disclosure, in writing, to the agency OIG, with a copy to the Agreement Officer, whenever, in connection with the award, performance, or closeout of any Government contract performed by the CNA or a subcontractor thereunder, the CNA has credible evidence that a principal, employee, agent, or subcontractor of the CNA has committed a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 U.S.C. or a violation of the civil False Claims Act (31 U.S.C. §§ 3729-3733).

(1) If a violation relates to more than one Government contract, the Contractor may make the disclosure to the agency OIG and Agreement Officer responsible for the largest dollar value contract impacted by the violation.

(2) If the violation relates to an order against a Government-wide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement



instrument intended for use by multiple agencies, the contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract, and the respective agencies' Agreement Officers.

(3) The disclosure requirement for an individual contract continues until at least 3 years after final payment on the contract.

(4) The Government will safeguard such disclosures in accordance with paragraph (b)(3)(ii) of this clause.

(G) Full cooperation with any Government agencies responsible for audits, investigations, or corrective actions.

(d) Subcontracts.

(1) The CNA shall include the substance of this clause, including this paragraph (d), in subcontracts that have a value in excess of \$5.5 million and a performance period of more than 120 days.

(2) In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Agreement Officer.

**SECTION F – MISCELLANEOUS**

1. **FORCE MAJEURE** Performance by either party under this Agreement is excused during the period such performance is prevented or delayed by government restrictions (whether with or without valid jurisdiction), war or warlike activity, insurrection or civil disorder, or any other causes similar or dissimilar to the foregoing that are beyond the control of either party and are not foreseeable at the time the Agreement is executed.
2. **CAPTIONS** Any captions or headings to the sections of this Agreement are solely for the convenience of the parties hereto, are not part of this Agreement, and are not to be used for the interpretation or determination of the validity hereof.
3. **COUNTERPARTS** This Agreement may be executed in counterparts. Facsimile or copied signatures are to be deemed originals.
4. **ASSIGNMENT** Neither party hereto may assign this Agreement without the written consent of the other, such consent not to be unreasonably withheld.
5. **ENTIRE AGREEMENT** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all pre-existing agreements and understandings between them with respect thereto.
6. **NATURE OF RELATIONSHIP** Nothing in this Agreement is intended or is to be deemed to create a partnership or joint venture between the parties.
7. **NO WAIVER** No waiver or modification of any of the terms of this Agreement will be valid unless in writing and agreed to by both parties. No waiver by either party of a breach hereof or default hereunder will be deemed a waiver by such party of any subsequent breach or default.
8. **REPRESENTATION ON AUTHORITY OF PARTIES/SIGNATORIES** Each person signing this Agreement represents and warrants that he or she is duly authorized as the representative for his or her respective party and has legal capacity to execute this Agreement. Further, each party represents and warrants to the other that upon the execution of this Agreement, the party enters into this Agreement of its own free will and volition and was not coerced nor under duress at the time of executing this Agreement. The parties, by signature herein affirm that this Agreement is a valid and legal agreement and binding on such parties and enforceable with its terms.
9. **GOVERNING LAW** Federal laws of United States will apply to this Agreement.

10. **APPROVALS** The effective date of this Agreement is the last date of signature below.

**SECTION G – LIST OF ATTACHMENTS**

Attachment 1 Deliverables Schedule

Attachment 2 Quality Assurance Surveillance Plan (QASP)

Attachment 3 List of Regulations and Policies

Attachment 4 Definitions and Terms

Attachment 5 Acronyms

Attachment 6 Complex Project Form

**Attachment 1 – Deliverables Schedule**

*NOTE: All deliverables should be by electronic mail to: [NIBdeliverables@AbilityOne.gov](mailto:NIBdeliverables@AbilityOne.gov)  
 If a deliverable due date falls on a weekend or government holiday, the CNA shall submit the deliverable the next business day. The Commission will approve extensions for deliverable due dates on a case-by-case basis.*

| Task Requirement/Deliverable   | PWS Ref   | Due Date   | Submit to  |
|--|-----------|--|--|
| Annual Employment Growth Plan (Includes Upward Mobility Plan)**                                | 3.1       | Annually, no later than September 1 for each succeeding year   | Commission Staff – Director of Operations (DOO)                            |
| Employment Growth Plan Updates/Employment Growth Quarterly Dashboard Reports/Pipeline Report** | 3.1       | Quarterly, as part of the quarterly report*                    | Commission Staff – DOO   |
| Mandatory Disclosures  | 3.2.1     | Within five (5) business days of notice of violation           | Commission Staff – General Counsel (GC)                                    |
| Annual Board of Directors Disclosure Report and full list of Board of Directors**              | 3.2.2     | No later than July 31 or within thirty (30) days of any change | Commission Staff – GC  |
| Annual Internal Control Reporting**  | 3.2.3.1   | Annually, no later than June 1                                 | Commission Staff – PMO, Pricing, and C&P                                   |
| Audit Report**   | 3.2.3.2   | Annually, no later than February 15, beginning in 2018         | Commission Staff – Deputy Director of Business Operations (Pricing) and GC |
| Ad-Hoc In-Process Reviews (IPR)  | 3.2.4     | No later than 30 days after semi-annual IPR                    | Commission Staff – PMO   |
| Annual MOA/MOU Report**  | 3.2.4.1   | Annually, no later than January 31                             | Commission Staff – Director of Contracting and Policy (DCP)                |
| Reserve Policy**   | 3.2.4.2.2 | Annually, no later than December 31                            | Commission Staff – Deputy Director of Business Operations (Pricing) and GC |

|  |           |   |  |
|--|-----------|---|--|
| Financial Audit Report**                                     | 3.2.4.2.3 | No later than 45 days after audit completed   | Commission Staff – Deputy Director of Business Operations (Pricing) and GC             |
| Annual AbilityOne Expenditures Report**                      | 3.2.4.2.4 | Annually, no later than September 1   | Commission Staff – Deputy Director of Business Operations (Pricing), C&P, SCGA, and GC |
| Published Allocation and Recommendation Policy and Procedure | 3.2.5     | No later than December 31, 2020, and every three (3) years thereafter   | Commission Staff – DOO   |
| Annual Allocation and Recommendation Report**                | 3.2.5     | Annually, no later than January 31  | Commission Staff – DOO   |
| QWE Participation Statistics**                               | 3.2.6     | Annually, ten (10) business days prior to the QWE Steering Group Meetings<br>and<br>Quarterly, as part of the quarterly report* | Commission Staff –DOO  |
| NPA Recommendation Process documents                         | 3.2.7.2   | Within ten (10) business days of Commission Request   | Commission Staff – DOO   |
| Complex Project Feasibility Analysis                         | 3.2.7.3   | As Required   | Commission Staff – DOO   |
| NPA Performance Improvement Plan (PIP)                       | 3.2.7.6   | Within ten (10) business days of initiating or terminating PIP  | Commission Staff – DOO   |
| Defense Commissary Agency (DeCA) AbilityOne Master File**    | 3.2.7.7   | 5 <sup>th</sup> business day after the end of each quarter  | Commission Staff – DOO, Business Management Specialist                                 |
| Annual Base Supply Center Executive Agent Report**           | 3.2.7.8   | Annually, no later than January 15  | Commission Staff – DOO   |
| Quarterly Blind Priority Waiver Report**                     | 3.2.7.10  | Thirty (30) days after end of each Quarter  | Commission Staff – DOO   |

|   |          |   |   |
|---|----------|---|---|
| Consolidated ETS File and Programs**                          | 3.2.7.11 | Quarterly, 45 days prior to quarter that is effective                                   | Commission Staff – DOO                                    |
| ETS Report Policy and Programs                                | 3.2.7.11 | Quarterly, 45 days prior to quarter that is effective                                   | Commission Staff – DOO                                    |
| AbilityOne NSN Available and Programs for Distribution File** | 3.2.7.11 | Quarterly, 45 days prior to quarter that is effective                                   | Commission Staff – DOO                                    |
| Co-Brand Report**   | 3.2.7.12 | 15 <sup>th</sup> day of each month  | Commission Staff – DOO,<br>Business Management Specialist |
| Replacement Products Report**                                 | 3.2.7.13 | No later than fifteen (15) days after the end of each quarter                           | Commission Staff – DOO,<br>Business Management Specialist |
| CMS Project Report**  | 3.2.7.14 | No later than fifteen (15) days after the end of each quarter                           | Commission Staff – DOO,<br>Business Management Specialist |
| Fair Market Price (FMP) Documentation and Recommendations**   | 3.2.8    | Within ten (10) business days after negotiations conclude and before contract is signed | Commission Staff – Deputy Director Business Operations    |
| Quarterly FMP Service Project Reports**                       | 3.2.8.1  | Within fifteen (15) business days of the data extract being released                    | Commission Staff – Pricing and Operations                 |
| Project-Level Information                                     | 3.2.9    | Within ten (10) business days of request  | Commission Staff – DOO                                    |
| Made-to-Order Medical Kit Report**                            | 3.2.9.1  | No later than fifteen (15) days after the end of each quarter                           | Commission Staff – DOO                                    |
| Annual Efficiency and Cost Savings Report**                   | 3.2.11   | Annually, as part of the 4 <sup>th</sup> quarter report*                                | Commission Staff – DOO, PMO,<br>& C&P                     |
| NPA Protocol  | 3.3.1.3  | Within thirty (30) days of any changes  | Commission Staff – DOC                                    |
| Fiscal Year Regulatory Review List**                          | 3.3.1.3  | Annually, no later than September 1   | Commission Staff – DOC                                    |
| End of Year Regulatory  | 3.3.1.3  | Annually, no later than January 31  | Commission Staff – DOC                                    |

|  |           |   |  |
|--|-----------|---|--|
| Review Analysis**                                    |           |   |  |
| Phase-In Report**                                    | 3.3.1.4   | Quarterly, as part of the quarterly report*                             | Commission Staff – DOC                 |
| List of Prime Contracts and supporting documentation | 3.3.1.5   | Annually, no later than October 31                                      | Commission Staff – DOO                 |
| Overall Direct Labor Hour Ratio Report**             | 3.3.1.6   | Quarterly, as part of the quarterly report*                             | Commission Staff – DOC                 |
| AR&C and EoY Analysis**                              | 3.3.2.2   | Annually, no later than December 1                                      | Commission Staff – DOC                 |
| Data Extract of AR&C                                 | 3.3.2.2   | Annually, no later than December 1                                      | Commission Staff – DOC                 |
| NPA Risk and Financial Assessment Report**           | 3.3.2.3   | Within ten (10) business days of Commission Request                     | Deputy Director Business Operations    |
| Training Reports                                     | 3.3.3     | Annually, no later than January 31 with highlights in Quarterly reports | Commission Staff – PMO                 |
| Significant Meeting Notification                     | 3.4.1.1   | At least ten (10) business days in advance                              | Commission Staff – Senior Advisor (SA) |
| Web and Social Media Reports                         | 3.4.1.4   | Quarterly as part of the quarterly report*                              | Commission Staff – SA                  |
| Strategic Communications Annual Plan**               | 3.4.1.2   | Annually, no later than October 1                                       | Commission Staff – SA                  |
| Strategic Communications Audit Report                | 3.4.1.5.3 | As Required   | Commission Staff – SA                  |
| Strategic Communications Quarterly Report**          | 3.4.1.5.4 | Quarterly, as part of the quarterly report*                             | Commission Staff – SA                  |
| Annual Strategic Communication Annual Report**       | 3.4.1.5.5 | Annually, no later than January 31                                      | Commission Staff – SA                  |



|   |             |   |  |
|---|-------------|---|--|
| Proposed annual calendar of all AbilityOne Program as placement** | 3.4.1.6.1   | No later than 30 days before the annual period begins and subject to quarterly review | Commission Staff – SA                          |
| Market Research Analysis and Surveys**                            | 3.4.1.6.2   | Quarterly, as part of the quarterly report*   | Commission Staff – SA                          |
| Federal Customer and AbilityOne Employee Surveys**                | 3.4.1.6.2   | Quarterly, as part of the quarterly report*   | Commission Staff – SA                          |
| Quarterly CNA Fees and Expenditure Reports**                      | 4.1 and 4.2 | Thirty (30) days after the end of each Quarter  | Commission Staff – SA (Congress)               |
| Quarterly Program Fee Expenditure Report**                        | 4.3         | Quarterly, as part of the quarterly report*   | Commission Staff – DCP                         |
| Initial Quality Control Plan**                                    | 5.0         | No later than thirty (30) days after effective date of agreement                      | Commission Staff – All Directors including DED |
| Quality Control Inspection Report                                 | 5.1         | No later than ten (10) days after requested   | Commission Staff – DOC                         |
|   |             |   |  |

\*Quarterly Reports are due 45 days after the completion of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters, and 60 days after completion of 4<sup>th</sup> quarter (February 15, May 15, August 15, and November 30). Does not apply to Quarterly CNA Fees and Expenditures Reports required by Congress which shall be submitted within thirty (30) days after the end of each FY Quarter, unless otherwise defined above.

\*\*Reports that will be evaluated for the on-time deliverable metric in accordance with QASP on semi-annual basis.

**Attachment 2 – QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)**

**QASP TABLE OF CONTENTS**

| SUBJECT   | PARAGRAPH |
|---|-----------|
| <b>1. Overview</b>                              | <b>1</b>  |
|   |           |
| <b>2. Description of Services</b>               | <b>2</b>  |
|   |           |
| <b>3. Organizational Structure</b>              | <b>3</b>  |
|   |           |
| <b>4. Agreement Quality Requirements</b>        | <b>4</b>  |
|   |           |
| <b>5. QASP Approach</b>                         | <b>5</b>  |
|   |           |
| <b>6. Methods of Surveillance</b>               | <b>6</b>  |
|   |           |
| <b>7. QASP Performance Objectives/Standards</b> | <b>7</b>  |
|   |           |
| <b>8. Quality Control Compliance</b>            | <b>8</b>  |
|   |           |
|   |           |

## **1: OVERVIEW**

**1.1: Purpose.** The purpose of this QASP is to identify the methods and procedures the Commission will use to ensure the CNA provides the services to the NPAs and accomplishes the AbilityOne Program objectives set forth under this Agreement. This plan will focus on the level of performance required by the PWS; not the methodology or process.

**1.2: Intent.** Performance requirements will be monitored and evaluated, but the CNA has as much flexibility as possible to develop the most efficient methodology to meet and exceed required standards of performance.

## **2: DESCRIPTION OF SERVICES**

**2.1: Program Overview.** The CNA shall provide all management, labor, supervision, materials, equipment and supplies to furnish CNA program management services.

**2.2: Scope of Work.** This is a performance-based agreement. The CNA shall plan, schedule, coordinate, and ensure effective and efficient performance of all services provided. The CNA shall perform the services in a manner that promotes the Federal Government's policies and the Commission's specific objectives as set forth in this Agreement, the JWOD Act and 41 CFR Chapter 51. These performance-based objectives express the Government's requirements in the form of the minimum quality standard to be met.

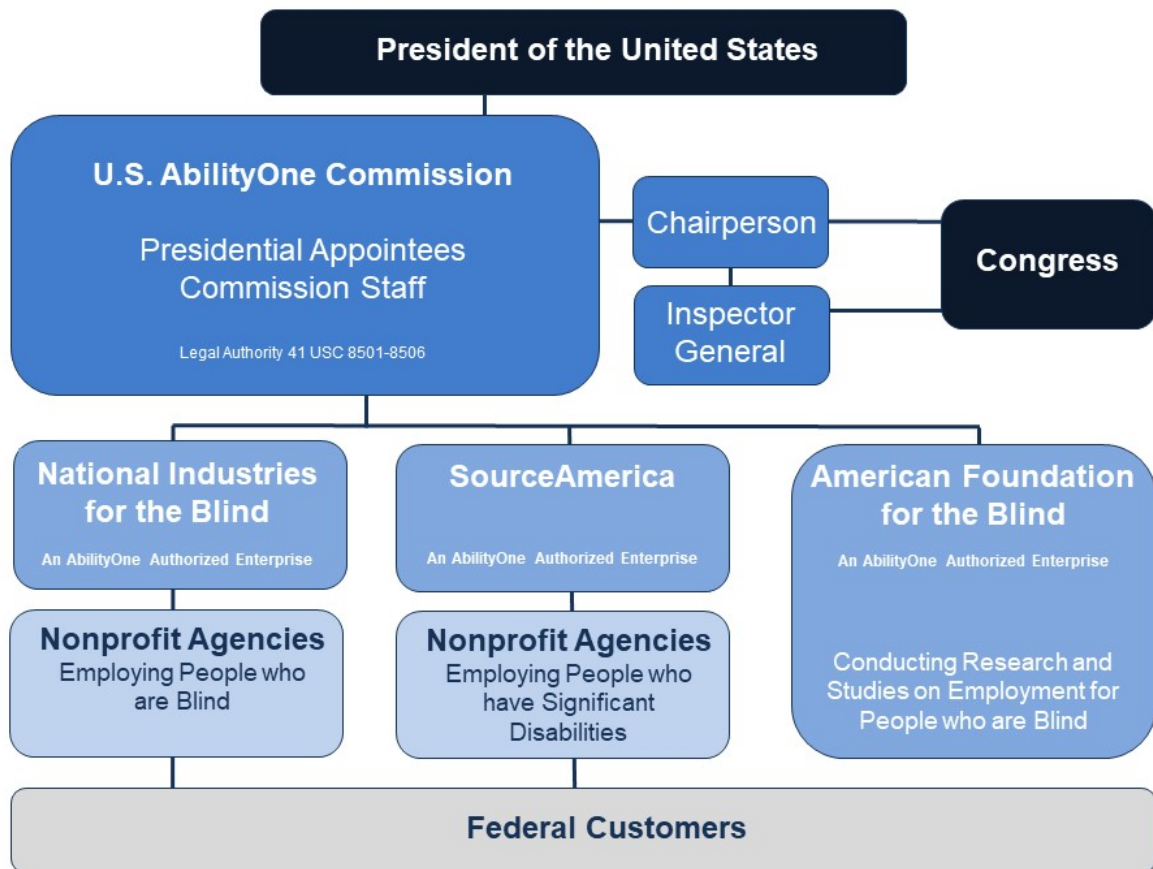
The overall purpose of this effort is to increase employment and training opportunities for persons who are blind or have other significant disabilities through the delivery of products and services to the Federal Government in accordance with the JWOD Act.

High value is associated with sustaining and increasing current employment levels and developing and executing new lines of business in the AbilityOne Program that also increase new employment opportunities.

Key Performance Indicators (KPIs) of this agreement are:

- Employment Growth
- Program administration, Oversight, and Integrity
- NPA Support, Assistance, and Development
- Strategic Communications

**3: ORGANIZATIONAL STRUCTURE**



**4: AGREEMENT QUALITY REQUIREMENTS**

**4.1: Quality System.** The CNA's quality requirements are defined in Section C, paragraph 6.0 of the Performance Work Statement. The CNA shall establish, maintain, and implement a QCP that encompasses all aspects of the agreement.

**5: QASP APPROACH**

**5.1: Purpose.** This Quality Assurance Surveillance Plan (QASP) provides a systematic method to evaluate performance for the stated contract. This QASP explains the following:

- What will be monitored
- How monitoring will take place
- Who will conduct the monitoring
- How monitoring efforts and results will be documented

This QASP does not detail how the CNA accomplishes the work. Rather, the QASP is created with the premise that the CNA is responsible for management and quality control actions to meet the terms of the agreement. It is the Commission's responsibility to be objective, fair, and consistent in evaluating performance.

This QASP is a "living document" and the Commission may review and revise it on a regular basis. However, the Commission shall coordinate changes with the CNA. Updates shall ensure that the QASP remains a valid, useful, and enforceable document. Copies of the original QASP and revisions shall be provided to the CNA and Commission officials implementing surveillance activities.

Various methods exist to monitor performance. The Commission shall use the surveillance methods listed below in the administration of this QASP.

It is important to define the distinction between the QCP and the QASP. The CNA is responsible for its QCP and is responsible for management and quality control action necessary to meet the quality standards set forth by this Agreement. The QASP is developed to define the Commission's surveillance of the CNA's performance in executing the requirements within the Agreement ensuring the CNA delivers the services and achieves the outcomes expected in this Agreement. The Commission is responsible for implementing this QASP and the CNA is responsible for implementing its QCP to meet the quality levels established in this Agreement.

**5.2: Surveillance Approach.** Various methods exist to monitor performance. The Commission will use the surveillance methods listed below in the administration of this QASP.

**PERIODIC INSPECTION.** (Uses a comprehensive evaluation of selected outputs. Inspections may be scheduled [Daily, Weekly, Monthly, Quarterly, or annually] or unscheduled, as required.) Periodic inspections are intended to monitor:

- Employment Growth Plan and Progress
- Net Employment Hours Growth
- Upward Mobility (Promotions) and Competitive Placement
- PL Transactions and Timeliness
- Timely PL Addition Requests
- PL Service Pricing Updates (base year element only)
- Producing NPAs' Compliance with AbilityOne Regulatory Requirements
- Training

**USER SURVEY.** (Combines elements of validated user complaints and random sampling. Random survey is conducted to solicit user satisfaction. Appropriate for high quantity activities that have historically been satisfactory. May also generate periodic and 100% inspections.) User Surveys are intended to monitor:

- NPAs’ Training Satisfaction

100% INSPECTION. (Evaluates all outputs. Most applicable to small quantity, but highly important services. May be used where there are written deliverables and stringent requirements such as tasks required by law, safety, or security.) 100% Inspection is intended to monitor:

- Allocation and Recommendation Report
- Ethical Integrity
- Efficiency and Cost Savings
- PL Service Pricing Maintenance
- CNA Prime Phase-Out/NPA Phase-In
- Strategic Communications

Surveillance results may be used as the basis for Commission actions related to performance.

RATINGS: Metrics and methods are designed to determine if performance exceeds, meets, or does not meet a given standard and acceptable quality level. A rating scale shall be used to determine a positive, neutral, or negative outcome. The following ratings shall be used:

|                        |   |
|------------------------|---|
| <b>EXCEPTIONAL:</b>    | Performance significantly exceeds agreement requirements to the Government’s benefit. |
| <b>GOOD:</b>           | Performance exceeds agreement requirements to the Government’s benefit.               |
| <b>SATISFACTORY:</b>   | Performance meets agreement requirements.   |
| <b>UNSATISFACTORY:</b> | Performance does not meet agreement requirements.                                     |

To facilitate the surveillance of the CNA quality plan, the Commission will verify CNA compliance with designated Performance Objectives. The specific procedures to be followed in verifying the Performance Objectives are delineated in this plan.

**5.3: QASP Annual Review.** The Commission will review QASP Performance Objectives, assess their applicability and make changes as needed. This review will be accomplished annually.

**5.5: Surveillance Documentation.** Surveillance documentation must be maintained by the Commission to capture surveillance and assessment conducted relevant to the four (4) key performance indicators. The surveillance documentation must contain the results of all surveillance assessments and may contain any other sections or information that the Commission finds useful.

**5.5.1: ACTIVITY LOG.** The Commission will prepare a chronological log of CNA actions taken in the accomplishment of assigned performance requirements. The purpose of this log is to provide a brief synopsis of an inspection of CNA provided services or a meeting or conversation with the CNA regarding PWS performance in a given functional area. Documentation that supports activity log entries is maintained in the RECORDS section of the surveillance folder.

**5.5.2: RECORDS.** The Commission will maintain any documentation associated with discrepancy reports (both active and resolved), relevant correspondence, and/or letters of interpretation of this Agreement. The CNA shall maintain records that captures all activities relevant to its QCP and actions taken to resolve discrepancies.

**5.6: Deficiency Identification.** Effective CNA surveillance relies on two methods for identification of unacceptable performance – CNA Identified Discrepancies and Commission Identified Discrepancies. When discrepancies are identified, the Commission and the CNA shall develop a corrective action and ensure necessary actions are completed.

## **6: METHODS OF SURVEILLANCE**

Each Performance Objective below will have unique quality standards and surveillance methodology. Enclosure 1 will be used to ensure consistent, timely, and accurate collection of CNA performance data for each of the defined performance objectives.

## **7: QASP PERFORMANCE OBJECTIVES/STANDARDS (See Enclosure 1)**

The Commission will base performance assessments on both objective and subjective data and information used for evaluation, which will be shared with the CNA. One of the primary goals of the assessment process is to establish a performance and feedback process that supports successful execution of this Agreement. Each Performance Objective includes a Commission determined Performance Standard and the resource that is used to perform the verification.

## **8: QUALITY CONTROL COMPLIANCE**

**8.1: Quality Control Compliance.** The Commission will evaluate the CNA's QCP semiannually through review of quality records and interview of CNA personnel involved in the quality control process.

**8.1.1:** The Commission will consider the QCP satisfactory if no more than two (2) findings are identified by the Commission per quarter.

**8.1.2:** The Commission will utilize the following method of surveillance:

**8.1.2.1:** Review the CNA's audit and inspection records for the nature and number of inspections conducted, the number and type of deficiencies found and the nature of corrective action taken.

**8.1.2.2:** Review the CNA's quality status reports to ensure all requirements of the QCP have been complied with.

## **8.2 Definition of Findings**

**8.2.1: Finding.** A Finding is defined as any Commission identified noncompliance with Agreement requirements that specifies that an activity or action did not take place. The Commission will document in writing any and all findings of noncompliance with this Agreement and will afford the CNA the opportunity to work with the Commission to address any such findings.



**Attachment 3 – LIST OF LAWS, REGULATIONS, AND POLICIES**

The following regulations and policies are documents the CNA shall follow when developing their processes and procedures for performing work under the AbilityOne Program and in accordance with this agreement:

1. 41 U.S.C. Chapter 85
2. 41 C.F.R. Chapter 51
3. Consolidated Appropriations Act, 2016, Public Law 114-113, 2016,
4. Commission Policies

**Attachment 4 – DEFINITIONS AND TERMS**

| <b>Term</b>                                  | <b>Definition</b>  |
|--|--|
| <i><b>AbilityOne Program</b></i>             | The program authorized by the Javits-Wagner O’Day (JWOD) Act to increase employment and training opportunities for persons who are blind or have other severe disabilities through Government purchasing of commodities and services from nonprofit agencies (NPAs) employing these persons.   |
| <i><b>Agreement Officer</b></i>              | Person with the authority to execute, administer, and/or terminate agreements, and make related determinations and findings.   |
| <i><b>Blind</b></i>                          | An individual or class of individuals whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle no greater than 20 degrees.  |
| <i><b>Central nonprofit agency (CNA)</b></i> | An agency organized under the laws of the United States or of any State, designated in accordance with the JWOD Act, operating in the interest of the blind or persons with other severe disabilities, the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual, and designated by the Commission to facilitate the distribution (by direct allocation, subcontract, or any other means) of orders of the Government for commodities and services on the Procurement List (PL) among NPAs employing persons who are blind or have other severe disabilities, to provide information required by the Commission to implement the AbilityOne Program, and to otherwise assist the Commission in administering these regulations as set forth herein by the Commission. |
| <i><b>Commission</b></i>                     | <p>The Commission for Purchase From People Who Are Blind or Severely Disabled.</p> <p><b>NOTE:</b> The Commission operates as the <b>U.S. AbilityOne Commission</b> effective October 1, 2011.</p>   |

| <b>Term</b>   | <b>Definition</b>  |
|---|--|
| <b><i>Complex Project</i></b>                       | A proposed PL addition that requires an advance feasibility assessment with the Commission staff, due to potential risks or high visibility. Complex projects may include, but are not limited to, annual values above \$5 million, phase-in requests that begin with a direct labor ratio below 50%, multiple NPA prime/subcontractor relationships, or non-traditional lines of business for the AbilityOne Program.   |
| <b><i>Contracting activity</i></b>                  | Any element of an entity of the Government that has responsibility for identifying and/or procuring Government requirements for commodities or services. Components of a contracting activity, such as a contracting office and an ordering office, are incorporated in this definition, which includes all offices within the definitions of “contracting activity,” “contracting office,” and “agreement administration office” contained in the Federal Acquisition Regulation, 48 C.F.R. § 2.101, Definitions. |
| <b><i>Customer</i></b>                              | Federal government agency purchasing products or services listed on the Commission’s PL.   |
| <b><i>Direct labor</i></b>                          | All work required for preparation, processing, and packing of a commodity or work directly related to the performance of a service, but not supervision, administration, inspection or shipping.   |
| <b><i>Entity of the Government</i></b>              | Any entity of the legislative branch or the judicial branch, any executive agency, military department, Government corporation, or independent establishment, the U.S. Postal Service, and any non-appropriated fund instrumentality under the jurisdiction of the Armed Forces.   |
| <b><i>Federal agency</i></b>                        | See <i>Entity of the Government</i>  |
| <b><i>Federal Fiscal year</i></b>                   | The 12-month period beginning on October 1 of each year.   |
| <b><i>Government</i></b>                            | See <i>Entity of the Government</i>  |
| <b><i>Interested person or Interested party</i></b> | An individual or legal entity affected by a proposed addition of a commodity or service to the PL or a deletion from it.   |
| <b><i>Military resale commodities</i></b>           | Commodities on the PL sold for the private, individual use of authorized patrons of Armed Forces commissaries and exchanges, or like activities of other Government departments and agencies.  |

| <b>Term</b>   | <b>Definition</b>  |
|---|--|
| <b><i>Nonprofit agency (NPA)</i></b>  | An organization organized and operated under the laws of the United States or any State, exclusively for an Internal Revenue Code-defined exempt purpose, and none of its earnings may inure to any private shareholder or individual. See Qualified NPA.  |
| <b><i>Other severely disabled and Severely disabled individuals (hereinafter persons with significant disabilities)</i></b> | <p>A person (other than a blind person) who has a significant physical or mental impairment (a residual, limiting condition resulting from an injury, disease, or congenital defect) which limits the person's functional capabilities (mobility, communication, self-care, self-direction, work tolerance or work skills) that the individual is unable to engage in normal competitive employment over an extended period of time.</p> <p>(1) Capability for normal competitive employment shall be determined from information developed by an ongoing evaluation program conducted by or for the NPA and shall include, as a minimum, a preadmission evaluation and a reevaluation at least annually of each individual's capability for normal competitive employment.</p> <p>(2) A person with a significant mental or physical impairment who is able to engage in normal competitive employment because the impairment has been overcome or the condition has been substantially corrected is not “other significantly disabled” within the meaning of the definition.</p> <p>In correspondence and policy, the term “significant disability” is synonymous with the term “severe disability” as defined in 41 U.S.C. § 8501 and the applicable regulations.</p> |
| <b><i>Personal Conflict of Interest</i></b>   | <p>A situation in which a covered employee has a financial interest, personal activity, or relationship that could impair the employee’s ability to act impartially and perform required fiduciary duties. (A <i>de minimis</i> interest that would not “impair the employee’s ability to act impartially” is not covered under this definition.)</p> <p>(1) Among the sources of personal conflicts of interest are—</p> <ul style="list-style-type: none"> <li>(i) Financial interests of the covered employee, of close family members, or of other members of the covered employee’s household;</li> <li>(ii) Other employment or financial relationships (including</li> </ul>  |

| <b>Term</b>  | <b>Definition</b>   |
|--|---|
|  | <p>seeking or negotiating for prospective employment or business for the covered employee, close family members or other members of the covered employee’s household); and</p> <p>(iii) Gifts, including travel.</p>  |
| <b><i>Procurement List</i></b>   | <p>A list of commodities (including military resale commodities) and services the Commission has determined suitable to be furnished to the Government by NPAs for the blind or NPAs employing persons with significant disabilities pursuant to the JWOD Act and associated regulations.</p>   |
| <b><i>Program Fee</i></b>  | <p>Program Fee is the maximum fee authorized to be collected that is directly generated and/or earned by the CNA in the performance of this Agreement consistent with the JWOD Act, 41 U.S.C. Chapter 85, and implementing regulations, 41 C.F.R. Chapter 51. This does not preclude the CNA from collecting any and all additional payments for work performed by the CNA under this Agreement and/or in accordance with relevant statutory and regulatory requirements.</p>   |
| <p><b><i>Qualified nonprofit agency</i></b></p> <p><b>(hereinafter qualified nonprofit agency)</b></p> | <p>An agency organized under the laws of the United States or any State, operating in the interests of blind individuals or individuals with significant disabilities (who may or may not also be blind), and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual; which applies for and is accepted for initial qualification and maintains such qualification in the AbilityOne Program pursuant to 41 CFR § 51-3 and -4; and which complies with applicable occupational health and safety standards prescribed by the Secretary of Labor; and which in furnishing commodities and services (whether or not the commodities or services are procured under these regulations) during the FY employs blind individuals or individuals with significant disabilities (including blind) for not less than 75 percent of the work-hours of direct labor required to furnish such commodities or services.</p> |

| <b>Term</b>   | <b>Definition</b>   |
|---|---|
| <p><b><i>Significantly Disabled individual or persons with a significant disability</i></b></p> | <p>A person other than a blind person who has a significant physical or mental impairment (a residual, limiting condition resulting from an injury, disease, or congenital defect) which so limits the person's functional capabilities (mobility, communication, self-care, self-direction, work tolerance or work skills) that the individual is unable to engage in normal competitive employment over an extended period of time.</p> <p>(1) Capability for normal competitive employment shall be determined from information developed by an ongoing evaluation program conducted by or for the NPA and shall include, as a minimum, a preadmission evaluation and a reevaluation at least annually of each individual's capability for normal competitive employment.</p> <p>(2) A person with a significant mental or physical impairment who is able to engage in normal competitive employment because the impairment has been overcome or the condition has been substantially corrected is not “other significantly disabled” within the meaning of the definition.</p> <p>In correspondence and policy, the term “significant disability” is synonymous with the term “severe disability” as defined in 41 U.S.C. § 8501 and the applicable regulations.</p> |
| <p><b><i>State</i></b></p>  | <p>The 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any territory remaining under the jurisdiction of the Trust Territory of the Pacific Islands.</p>  |
| <p><b><i>Validate</i></b></p>   | <p>For purposes of this Agreement, the term ‘validate’ shall mean that while the NPA is responsible for the data it submits, the CNA diligently reviews NPA information provided to the Commission by the CNA. This includes reviewing for irregularities and outliers, such as discrepancies between hours and labor or other anomalous data.”</p>   |
| <p><b><i>U.S. AbilityOne Commission</i></b></p>   | <p>Operating name of the Committee for Purchase From People Who Are Blind or Severely Disabled</p>  |

**Attachment 5 – ACRONYMS**

| <b>Acronym</b> | <b>Definition</b>                 |
|----------------|-----------------------------------|
| <b>AQL</b>     | Acceptable Quality Level          |
| <b>CNA</b>     | Central Nonprofit Agency          |
| <b>EOY</b>     | End of Year                       |
| <b>JWOD</b>    | Javits-Wagner-O’Day Act           |
| <b>NIB</b>     | National Industries for the Blind |
| <b>NPA</b>     | Nonprofit Agency                  |
| <b>QCP</b>     | Quality Control Plan              |

**Attachment 6 – COMPLEX PROJECT FORM**



U.S. ABILITYONE COMMISSION

Attachment 6

**TITLE: Complex Project Feasibility Analysis Form**

|   |  |   |  |
|---|--|---|--|
| <b>Project Name</b>                                   |  | <b>Requiring Office</b>                   |  |
| <b>Project Number</b>                                 |  | <b>Submission Date</b>                    |  |
| <b>Project Value</b>                                  |  | <b>Commission Response (Approve/Deny)</b> |  |
| <b>CNA/POC</b>  |  | <b>Date of Commission Response</b>        |  |
| <b>Estimated number of blind/disabled jobs (FTEs)</b> |  |   |  |

**I. Instructions**

A Complex Project Feasibility Analysis (CPFA) (using this form) should be completed and submitted to Commission Staff when it is determined that a potential project is, by definition, a Complex Project (see definition below). The objective of the analysis is to 1) determine if it is feasible to propose a unilateral Commission decision to add the product or service to the PL, 2) determine the merit and method of pursuing the PL addition, 3) identify and mitigate the risks associated with the project, and 4) confirm advisability of investing resources in the project. This form should be completed very early in the project development process and when enough information is available to provide as complete a description of the project as possible.

Definition of Complex Project per CNA Cooperative Agreements



**U.S. ABILITYONE COMMISSION**  
*Complex Project Feasibility Analysis*  
*October 19, 2016*

Per the Cooperative Agreement, a Complex Project is defined as a proposed Procurement List addition that requires an advance feasibility assessment with the Commission staff, due to potential risks or high visibility. Complex projects may include, but are not limited to, annual values above \$5 million, phase-in requests that begin with a direct labor ratio below 50%, multiple nonprofit agency prime/subcontractor relationships, or non-traditional lines of business for the AbilityOne Program.

**II. Executive Summary**

The Executive Summary should describe the potential project and identify the risks and high visibility characteristics of the project as indicated in Section III. The Executive Summary should also describe how the potential risks and high visibility characteristics of the project will be mitigated and recommend a course of action (e.g. unilateral Commission decision to add the product or service to the PL or determine the merit and method of pursuing the PL addition) to ensure that the project is not discarded because it might not fit the usual model for such proposed additions.

|                                 |
|---------------------------------|
| <b><i>Executive Summary</i></b> |
|                                 |

**III. Potential Risks and High Visibility Concerns**

Check ***all*** characteristics related to the project that may be potential risks or result in high visibility. Provide comments that describe the specific parameters of each characteristic that apply to the project.

**U.S. ABILITYONE COMMISSION**  
*Complex Project Feasibility Analysis*  
 October 19, 2016

|                          | <b>Characteristic</b>   | <b>Comments</b> |
|--------------------------|---|-----------------|
|                          | Potential "pilot project"   |                 |
| <input type="checkbox"/> | Potential for unilateral addition due to extraordinary sponsorship (e.g. no CA concurrence) or other considerations   |                 |
|                          | Potential for high political and/or media visibility  |                 |
|                          | Public interests, disgruntled Current Contractor/Potential Impact Analysis Finding Protest  |                 |
| <input type="checkbox"/> | Involves contracting Policy-(e.g. Vets First, Randolph Sheppard Act)  |                 |
|                          | Relationship issues   |                 |
|                          | Project starting DLH ratios and/or project final objective DLH ratios are less than 50%; anticipated need for Phase-in Plan   |                 |
| <input type="checkbox"/> | Unique Requirements (e.g., Security Clearances, Certifications)   |                 |
| <input type="checkbox"/> | Multiple NPAs and multiple locations with a prime and subcontract relationship.   |                 |
| <input type="checkbox"/> | Project has additional locations to be added to the Procurement List and combined with existing locations to form a new expanded project. [e.g. IRS Mailroom (National), IRS Document Destruction (national)] |                 |

**U.S. ABILITYONE COMMISSION**  
*Complex Project Feasibility Analysis*  
 October 19, 2016

|                          | <b>Characteristic</b>   | <b>Comments</b> |
|--------------------------|---|-----------------|
| <input type="checkbox"/> | Recognizable challenging or unusual subcontractor relationships   |                 |
| <input type="checkbox"/> | Carving out requirements or requirement change; (e.g. extracting locations from a grouped location, base-wide)  |                 |
|                          | Strategic or highly technical Line of Business that may have suitability challenges.  |                 |
|                          | Integration of subcontractors to perform technical aspects of the SOW.  |                 |
| <input type="checkbox"/> | Significant period to phase out a commercial entity as part of stringent transition plan.   |                 |
|                          | Total Facilities Management/ Base Operating Service/ Directorate of Logistics projects  |                 |
| <input type="checkbox"/> | Military personnel services/admin services  |                 |
| <input type="checkbox"/> | Multiple NPAs producing each NSN at multiple/different percentages of the requirement and in multiple stages of production. Different requirements for different NPAs |                 |
| <input type="checkbox"/> | Complexity in volume of NSNs or   |                 |

**U.S. ABILITYONE COMMISSION**  
*Complex Project Feasibility Analysis*  
 October 19, 2016

|                          | <b>Characteristic</b>   | <b>Comments</b> |
|--------------------------|---|-----------------|
|                          | Product Codes, varying fee calculations because some items are commercial, multiple NPA manufacturers, once on the PL there is complexity in how to add new components (e.g. Forestry uniforms) |                 |
| <input type="checkbox"/> | Buy America or Berry Act issues   |                 |
| <input type="checkbox"/> | Cooperative Agreement with Industry (i.e., enclave) is required   |                 |
| <input type="checkbox"/> | Contracting Activity has price or quality issues with current contractor  |                 |
|                          | Significant number of jobs and/or direct labor hours that may or may not be performed by PBSO will have to be commercially subcontracted  |                 |
| <input type="checkbox"/> | Other   |                 |
| <input type="checkbox"/> | Other   |                 |