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Description of document: AbilityOne Commission* Meeting Minutes for meetings during CY 2016 and CY 2018

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* AbilityOne Commission is the operational name of the Committee for Purchase From People Who Are Blind or Severely Disabled

Source of document: FOIA Request
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U.S. ABILITYONE COMMISSION

July 29, 2019

PHONE: 703-603-7740
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1401 S. Clark Street, Suite 715
Arlington, Virginia 22202-4149

Reference: FOIA 2019-1012

This is in response to your FOIA request dated June 4, 2019, requesting copies of Commission Meeting Minutes during CY2016, CY2017, AND CY2018.

We are providing the documents (attached) for the above calendar years.

You have the right to appeal this response if you consider it to be a denial of your FOIA request 41 C.F.R. § 51-8.10). An appeal to the Committee Chairperson may be made by submission of a written request for reconsideration. Such requests shall state the specific reasons for reconsideration that addresses directly the group upon which the denial was based and must be received at the Commission office within 30 calendar days of your receipt of this letter.

If you have any questions regarding this response, you may contact Timi Kenealy at (703) 603-7740 or tkenealy@abilityone.gov. Inasmuch as this letter constitutes a final response regarding your request for records from the U.S. AbilityOne Commission, this request is now closed.

Sincerely,

Karen T. Guile
FOIA Administrator
U.S. AbilityOne Commission

Attachments



COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED
An Independent Federal Agency



FINAL MINUTES

U.S. ABILITYONE COMMISSION

Arlington, VA

Monday, February 11, 2016

9:00 a.m. – 12:00 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 9:00 a.m. and made some brief introductory remarks. He said the meeting agenda is very interesting considering the new era of change taking place with the Omnibus, Budget, and the requirement to establish the OIG.

Mr. Kesteloot commented about the National Council of SourceAmerica Employers (NCSE) South Region conference he attended in Charleston, South Carolina last week. He said the best part of the conference is visiting local non-profit agencies (NPAs). During his trip, Mr. Kesteloot visited Goodwill Industries of Lower South Carolina. He also met a significant number of people with a variety of disabilities working at the Joint Base Charleston, a Navy weapons base. He said those visits remind him how important the AbilityOne Program is and how pleased the workers were to see Commission members and staff.

II. Consideration of Minutes

Mr. Kesteloot asked if there were any changes to the September 28, 2015 minutes. There were no changes and Mr. Kesteloot called for a motion. Ms. Lisa Wilusz, Vice Chairperson, made a motion that the minutes be accepted. Her motion received a second from Mr. Thomas Robinson, U.S. Department of the Air Force representative, and the minutes were unanimously accepted.

III. Executive Director's Report

In the absence of Ms. Tina Ballard, Executive Director, Ms. Kimberly Zeich, Deputy Executive Director, gave the Executive Director's Report. Ms. Zeich introduced several new additions to the Commission staff. First, she introduced Mr. Brian Hoey, Senior Advisor, Strategic Communications and Legislative Affairs, who will be assisting in various capacities such as crisis management and communications.

Next, Ms. Zeich introduced Mr. Eugene Quinn, Deputy Director of Compliance. Mr. Quinn is formerly of the Department of Defense's, Inspector General Office. Mr. Quinn was instrumental in building the Commission's OIG Business case that was submitted to Congress. He served in the United States Army for 21 years.

She then introduced Mr. John Konst, Assistant General Counsel, who is a former Naval Officer. Mr. Cory Foster is currently on a developmental assignment from the U.S. Department of the Army. Mr. Foster has ten years of acquisition experience. Mr. Foster is the lead for the Cooperative Agreement and has been instrumental in developing the Request For Information (RFI). Ms. Zeich thanked Mr. Hoey, Mr. Quinn, and Mr. Konst for their years of military service.

Ms. Zeich reviewed the key points of the Omnibus spending bill. She said the Commission was funded at \$6.191 million for the remainder of the fiscal year. The Commission is required to enter into a written agreement with the Central Nonprofit Agencies (CNAs) within 180 days. The written agreements must contain certain elements. After 180 days, the CNAs may only collect fees in accordance with the Commission's regulations as authorized by the written agreement. There is also a provision that no less than \$750,000 shall be spent to establish the OIG office.

The Commission was funded at the President's Budget level at \$5.4 million. The written agreements and the OIG office need to be established by June 18, 2016. There are two new quarterly reports required by Congress (CNA fees and expenditures). On Tuesday, February 9, 2016, the President's FY 2017 Budget was released. The Commission requested \$10.6 million to establish 45 new FTEs and proposed up to three field offices. Funding includes the cost for the OIG.

Mr. Kesteloot mentioned Mr. Lou Bartalot and Ms. Zeich said he is now officially retired and Ms. Amy Jensen has been selected as the new Director of Compliance and that Mr. Quinn is the Deputy Director.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), gave a report on NIB's recent activities to create opportunities for people who are blind. First, Mr. Lynch gave an update on the ProMOTE, "Professional Mastery of Office Technology for Employment," initiative. He said there were eight participants in the first ProMOTE pilot class which concluded in January 2016. This initiative came out of the contract management closeout functions and is a way to strengthen transferrable, career-building professional skills for individuals who are blind. The initiative used the "train the trainer" approach. The four-week class was held at the Carroll Center in Boston, MA.

Mr. Lynch said the program has been very successful. He said the goal is to increase and enhance the skills for individuals who are blind including the mastery of office technology and practical applications of workplace projects and situations. Mr. Lynch hopes to do a rollout to all the nonprofit agencies.

Next, Mr. Lynch talked about NIB's opportunity to engage with the Workforce Innovation and Opportunity Act (WIOA) Advisory Council. NIB submitted written testimony in July 2015. In October 2015, NIB presented to the full Advisory Committee in-person, along with the Commission and SourceAmerica.

In December 2015, NIB provided written answers to questions posed to the WIOA panel and in January 2016, NIB presented testimony to the full Advisory Committee via webinar. He said NIB appreciates the opportunity to engage with the WIOA Advisory Council.

Mr. Lynch next gave an update on Quality Work Environment (QWE). Through FY 2015, the percentage of NIB NPA employees directly impacted by QWE includes: 73 percent of the NPAs completed their first self-assessment, 59 percent are implementing their initial action plan and 24 percent are implementing their second (or more) action plan.

So, 69 percent of NIB NPAs with AbilityOne contracts are actively participating in QWE (45 NPAs total). Three additional agency rollouts are currently planned for quarters two and three of FY 2016, including two of NIB's ten largest NPAs. He said the QWE Steering Group will survey NPAs for purposes of measuring outcomes of QWE.

Mr. Lynch described another initiative NIB underwent in the fall of 2015. He said they held a number of CEO and staff focus groups with NPAs. They employed an outside vendor in order to encourage open dialogue. The purpose was to measure nonprofit agency perceptions on how NIB is performing and assess their services. The surveys included questions to gauge what assistance is needed from NIB.

The key finding is that the NPAs view NIB's primary role as business development. They also seek broader diversification of customers, offerings and stronger knowledge of associated agency capabilities by NIB staff. They desire relevant and timely communications and feel that NIB's advocacy efforts are a core competency. Mr. Lynch said this is the third time NIB has conducted focus group sessions. They plan to use the information to build business plans and their overall strategic plan.

NIB provided training to five of six GSA OS3 requisition awardees trained in November/December 2015. Two to three personnel from each company, focused on individuals who manage the OS3 contracts. LC Industries was not included given its extensive experience with AbilityOne. The training focused on five key areas: AbilityOne Program introduction and capabilities, contract allocations, ETS and item substitution, including procedures when stock-outs occur, sales support and partnership, and contract compliance.

Mr. Lynch said the newest thing NIB is working on is the modernization of the Defense Commissary Agency (DeCA). Congress fully funded DeCA for FY 2016. NIB's military resale program focuses on products sold in the commissaries. The 2016 National Defense Authorization Act (NDAA) included a goal of reducing DeCA's appropriation to \$0 in two years, while retaining current benefits. Mr. Lynch said this is a very important program and helps to give consistent employment to a number of employees who have other disabilities other than blindness.

Mr. Lynch gave a brief report on NIB's FY 2015 Business Results. He said it was a turn-around year. Direct labor hours increased by over six percent to 5.5 million. Average wages increased almost three percent to \$9.84 for products and services went down 0.9 percent from \$14.10 to \$13.97.

RADM Yuen asked Mr. Lynch if he has a feel for the range. Mr. Lynch said he would submit that information to the Commission staff to distribute.

In regards to Placements and Promotions, Mr. Lynch said there was an increase from 170 to 183. Overall AbilityOne sales increased almost 16 percent to \$709.1 million.

Ms. McCulloh asked Mr. Lynch if a number of placements and promotions were going into integrated competitive employment. Mr. Lynch said he would provide those number to the Commission as well.

Mr. Robinson asked if the QWE trend analysis is on the increase or stagnate. Mr. Lynch said it is pretty steady. Mr. Robinson asked if he could provide the trend over a year's time.

Ms. McCulloh asked about the placements and promotions over a year and asked Mr. Lynch to clarify NIB's core competency areas. He said the marketing of products and services was identified as the main area. Mr. Kesteloot said the 183 number for placements was a little low. Mr. Lynch said these individuals were in the AbilityOne Program and that NIB's associated nonprofit agencies place others outside of the program not included in that figure.

Mr. Kesteloot said it was important to report both sides. He said an update was given at the last SourceAmerica Conference and Ms. Zeich gave an update on the WIOA Advisory regarding placements. Mr. Kesteloot added that it is important for NPAs to report all placements.

SourceAmerica

Mr. Steve Soroka, President and CEO, SourceAmerica gave a brief report on FY 2015 Business Results. He said it was a fairly good year given the current business environment. Direct Labor hours were up to 41.3 million which exceed their goal of 38.4 million. The goal for jobs was 41,000 and the year-end resulted in 43,000 jobs. The goal for compliant CRPs was 96 percent and that was exceeded with 99 percent. The Upward Mobility, Placement and Promotions goal of 3,270 was also exceeded with 3,278. Mr. Soroka said they plan to take a closer look at employment outcomes for those individuals who find non-direct labor hour employment. In response to a question from Ms. Wilusz regarding upward mobility, placements and promotions, Ms. Elizabeth Goodman, Senior Vice President, Finance, SourceAmerica, said promotions refer to an employee moving to a supervisory position and it may not count as direct labor hours.

Mr. Soroka said the average hourly wage paid to people with disabilities employed on AbilityOne contracts is \$12.80. There are 4,000 people who are paid subminimum wage. In terms of QWE, 79 percent of employees are participating. Total product and service sales

provided to the Federal Government though AbilityOne contracts is \$2.4 billion which is up from last year. Mr. Soroka was asked to provide the trend analysis for QWE.

Mr. Soroka said it has been a year of transformation. He has led an organizational realignment and implemented a flatter structure for clearer roles and responsibilities and shorter lines of communication. Ms. Clara Conti was hired as the new Vice President of Sales, (formerly, Business Development). The centralized sales function will better support the expansion of AbilityOne, non-AbilityOne and commercial opportunities. Ms. Susie Bonvouloir has been hired as the new Vice President of Human Resources. Mr. Martin Williams has accepted a new function solely dedicated to NPA Recommendations and standardizing proposals. Mr. Joe Diaz will replace Mr. Williams as the Vice President of Operations. A new CIO, John Wyatt, was hired to modernize the infrastructure and a new division has been created, the Office of Strategy and Innovation. Mr. Dennis Fields retired and Mr. Dennis McBride was hired as his replacement.

Mr. Soroka said that well over a year ago SourceAmerica engaged Grant Thornton to assist in the modernization of the Board of Directors. In an accelerated effort to transform the Board, several motions were passed in December 2015. The Chairperson and Co-Chairperson positions can no longer be held by a community rehabilitation program (CRP) employee, but the Secretary and Treasurer can.

There were six designated seats for representatives from the founding National Nonprofit Agencies. Those seats are now "at large" and are no longer designated in the bylaws as required. The national network agencies may no longer select a nonprofit agency from their network for a Board seat but rather they must have a Senior Executive, CEO, or National Advocate who is subject to Board approval.

Mr. Soroka said the number of NPAs that have seats on the board has been limited to no less than 33 percent and no more than 49 percent. The majority of the seats will be held by non-NPAs. It was also decided to limit the size of the Board. Right now there are 26 members, but eventually that number will decrease to below 20. In response to a question from Ms. McCulloh, Mr. Soroka said there are three terms of three years for no more than nine years for Board member, non-officers.

Ms. Conti, Mr. Diaz, and Mr. Williams are partnering with leading industry experts to expand the capacity of Operations and Sales to grow jobs. Mr. Soroka said CyclePoint has expanded and is doing well (e-recycling project). He said SourceAmerica has entered into a Memorandum of Understanding (MOU) with the Internal Revenue Service (IRS). There is anticipated growth in a Super Cereal project. This highly nutritious cereal is sold by an NPA in North Carolina. It has been sent to USAID to help countries around the world. He said it is a great international success story. DLA Troop Support continues to monitor military spending patterns and trends to position SourceAmerica as a preferred provider. SourceAmerica also launched a small dollar pilot program to maximize opportunities for smaller NPAs. In response to a question from Ms. Wilusz, Mr. Soroka said the agencies were too small to bid. He said they are encouraging the larger agencies to partner with the smaller ones.

Mr. Soroka discussed the launch of a Federal Government effort to provide jobs for people with disabilities to work with Federal contractors. SourceAmerica is conducting outreach to these companies to assist with this initiative. SourceAmerica launched a Veterans Intern Program several months ago. It is a 12-week program to assist veterans with job skills, resume writing, and interviewing coaching. In a response to a question from Ms. McCulloh, Mr. John Kelly said SourceAmerica has worked with the Department of Labor in the past, but not in conjunction with this specific initiative. The Pathways Program is expanding and now includes Michigan, Virginia, and Massachusetts. There are 80 people involved in the program.

In the last couple of weeks, Mr. Soroka said there has been a strong and renewed focus on Procurement List (PL) addition activity. He thanked Mr. Barry Lineback and his team for helping to facilitate decisions to protect work on the PL. He said he is encouraged by the possible breakthrough on the General Services Administration (GSA)/Building Maintenance and Operations (BMO).

Mr. Diaz is working to strengthen account management in the field. Mr. Soroka said this will result in higher satisfaction and better delivery on contracts. Mr. Soroka has focused on improving communications with NPAs, including hosting CEO webinars following each Board meeting and distributing Wednesday newsletters. The SourceAmerica website has been modernized to be more user-friendly and it has mobile capabilities.

SourceAmerica continues to strengthen advocacy adding six new Champions and testifying before the WIOA Advisory Committee. Damaging language was removed from the 2016 Omnibus legislation. Mr. Soroka thanked Mr. Lewis for his help with the meeting involving Mr. Mark Riccobono, President & CEO, National Federation of the Blind. He said SourceAmerica is more engaged with key detractors. He said they have engaged in meaningful discussion and are trying to find common ground on key policies such as the Section 14(c) certificate.

Mr. Soroka gave a media update and said the recent CNN coverage included the CEO of Bonafide, Mr. Reuben Lopez who is continuing litigation against SourceAmerica. Mr. Soroka said SourceAmerica continues to defend the truth and has nothing to hide. He said if something is wrong, it will be corrected. SourceAmerica continues to positively position the organization and the Program and he highlighted a Federal Times interview and a National Contract Management Association magazine feature. SourceAmerica has also increased its use of social media.

Mr. Soroka reviewed the first quarter results for FY 2016. He said they are not quite where they would like to be because the first quarter has been a little slow. In terms of direct labor hours, he said the goal was 10.4 million and the result was 9.4 million. He hopes to make this up as the year goes on. In terms of jobs, the goal was 35,000 and the result was 30,320. The goal for Employee Research System (ERS) was 80 percent, and the actual percentage was 78. The Upward Mobility, Placements, and Promotions goal was 850 people and the result was 848.

In response to a question from Mr. Kelly, Mr. Soroka said the trend for subminimum wage is relatively flat. He said some NPAs are developing and implementing solutions. Mr. Lewis

commented that if an employee is in the wrong environment maybe they should be given a different job and be served in a broader way. He said maybe some of the Pathways best practices should be shared with NPAs.

Ms. McCulloh had several questions regarding the outreach efforts to employ more people through Federal contracts. She asked if they want to provide a pipeline of workers to educate about disability awareness. She also wanted to know their primary mission and what direction they planned to go. Mr. Soroka said the initiative was launched for CRPs of the future. He said members of his staff are working on this to provide a staffing model that transitions people into competitive employment. Pathways is an excellent example and model to work from.

Mr. Kesteloot asked Mr. Soroka to explain ERS for some of the new members and staff. Mr. Soroka said 80 percent of the agencies are involved in the program. He asked Ms. Goodman to give a broader description of the program. Ms. Goodman said ERS is a voluntary system that NPAs are asked to participate in to capture data about wages, payroll and other information. She said the population is aging. Mr. Kesteloot asked Mr. Soroka to provide more data on ERS during the next Commission meeting.

In response to a question from Mr. Lewis, Mr. Soroka said there are a minimum of two members on the Board with disabilities. He said the target is to get four. Mr. Kesteloot said how important it is to have visibility of people with disabilities in key positions.

V. Annual Performance Data

Ms. Amy Jensen, Director of Compliance, reported on the AbilityOne Program's FY 2015 Performance Results. Ms. Jensen thanked NIB and SourceAmerica for submitting their annual data on the Commission's new Reps and Certs form. She also thanked them for their help with developing and implementing the forms. This new reporting process aligns with the standard reporting practices used throughout the Federal Government.

For FY 2015, there was an increase in almost all of the data fields as compared to FY 2014. She said employment increased 1.6 percent to 47,368 people. The direct labor hours worked by people who are blind or severely disabled increased 4.4 percent resulting in 46,845,905 total hours worked and 23,423 work years. Wages increased six percent and resulted in over \$589 million in total wages and an average hourly wage of \$12.58, a 1.1percent increase from last year. Sales increased 9.5 percent to \$3.1million.

Products and Services Employees

In regards to products, NIB had 3,303 people and SourceAmerica had 8,051 people. In regards to services, NIB had 946 people and SourceAmerica had 35,055 people.

Placements and Promotions

In terms of placement and promotions, Ms. Jensen said 2,029 AbilityOne employees were placed, a 4.8 percent increase. The total of all placements by agencies was up 3.2 percent.

1,002 people were promoted into nonsupervisory jobs and 348 individuals were promoted into supervisory jobs. This is a decrease of 11 from last year. Non-AbilityOne supervisory promotions were up 0.5 percent. Placements and promotions are subject to many factors with the state of the economy being a significant one.

Direct Labor Hours

In terms of direct labor hours, there was an increase of 4.4 percent – 46.8 million hours were worked in FY 2015. NIB had a total of 5,532,890 hours, up six percent, while SourceAmerica had 41,313,014 hours, up 4.2 percent. NIB had more direct labor hours in products and SourceAmerica had more in services. SourceAmerica had a 16.7 percent increase in products, which could have been due to the U.S. Postal Services recent order for a large quantity of postal trays.

Wages

The wages of people who are blind or severely disabled increased from last year's \$558 million to \$589,488,658. This represented an average hourly wage of \$12.58 an hour. For NIB, the average wage for services was \$14.34 and for products it was \$9.48. SourceAmerica's average wage for services was \$13.59, while products was \$7.62. Overall wages and hours both increased and all hourly wages are higher than \$10.10 for services and \$7.25 for products.

AbilityOne Sales

Ms. Jensen said total program sales increased to \$3,153,999,582, an increase of 9.5 percent. Services constituted the majority of the sales at over \$2.1 billion. NIB agencies' total AbilityOne sales were more than \$700 million, a 15.7 percent increase and SourceAmerica agencies' total AbilityOne sales were \$2.4 billion, a 7.8 percent increase.

Federal Agency Sales

Ms. Jensen reported that the Department of Defense represents 63.7 percent of our sales. Ms. Jensen said the Army remained AbilityOne's largest customer agency for the fifth consecutive year. Army sales represented 21.2 percent of 2015 program sales. DLA was second with almost 16 percent of sales followed by the Navy, Air Force and GSA-PBS and the Air Force. Ms. Jensen reviewed the remaining agencies that were under one percent of sales.

Distribution channels are comprised of sales from nonprofit agencies directly to the base supply centers or the wholesale distributors. This was the second time that distribution sales exceeded sales to GSA-FAS 1.7 percent.

Authorized Agencies

Ms. Jensen said the total number of NPAs was 548, SourceAmerica 484 and NIB 64. There was a decrease of 17 NPAs from FY 2014 (565), one from NIB and 16 from SourceAmerica.

Overall Direct Labor Ratio

Ms. Jensen said the overall direct labor ratio average for the Program was 82.76 percent, a slight decrease from last year. She said there were 21 agencies with overall ratios below 75 percent, down four from last year (17 SourceAmerica/4 NIB agencies). There were two SourceAmerica agencies below ratio for two consecutive years, one SourceAmerica agency below ratio for three consecutive years, and one NIB agency below ratio for three consecutive years.

Summary

In summary, Ms. Jensen gave the numbers for the program in terms of hours, people, promotions, placements, wages and sales.

In response to questions from Ms. McCulloh, Mr. Williams said typically NIB has priority over SourceAmerica when it comes to products. He said there was an anomaly concerning the U.S. Postal Service trays which caused a surge in products. He said Amazon has forced USPS to make more trays because of the increased competition. The surge will eventually go away. Ms. Jensen reminded Ms. McCulloh of the presentation given by MDI last September when the Commission granted surge protection.

Mr. Poleo commented on the Federal sales chart and said there are three great absences – the Department of Homeland Security, Interior (Park Service) and the U.S. Postal Service. He emphasized that a statutory change should be made to include representation on the Commission from the three agencies. Mr. Kelly agreed that he would like to see the Commission expanded with a good mix of representation, not necessarily from the government.

Mr. Frye discussed the privatization of commissaries and asked about the effects on DeCA sales. Mr. Lynch commented that this would have a tremendous impact on NIB as well as SourceAmerica.

VI. Cooperative Agreement

Ms. Zeich introduced Mr. Cory Foster. Mr. Foster is currently working on a leadership developmental assignment with the Commission Staff. Mr. Foster has an Executive MBA, a M.S. in Procurement and Contract Management and has been working in the acquisition field for more than 10 years.

Mr. Foster provided background information on how the Cooperative Agreement was established. In May 2013, the General Accountability Office (GAO) did a study on the U.S. AbilityOne Program. GAO made a recommendation that the Commission should enter into a written agreement with each CNA within a reasonable timeframe. The rationale was to promote greater accountability, effectiveness, efficiency and integrity.

On December 18, 2016, the Consolidated Appropriations Act was enacted which directed the Commission to enter into a written agreement within 180 days – by June 18, 2016.

The Commission decided to use a Cooperative Agreement to fulfill the Omnibus. Mr. Foster explained the reasons why saying that the Cooperative Agreement is a contract utilized throughout the Federal Government. He said it is a legal instrument used to transfer a thing of value to the recipient to carry out a public purpose of support. It is used when there is substantial government involvement during performance for the agreement. He said it also satisfies the GAO recommendation and the Omnibus requirement for a written agreement.

Mr. Foster said this will be treated as a cooperative process. Therefore, the Cooperative Agreement will incorporate and adapt framework of negotiated agreements between the government and a private entity. He said any information transmitted throughout this process will be treated as confidential, proprietary or as otherwise marked. Non-disclosure statements will be required as necessary.

According to Mr. Foster, the initial Cooperative Agreement will focus on the technical requirements of the AbilityOne Program and the current fee ceiling will be used. Once the Cooperative Agreement is signed, the agency will request fee proposals from the CNAs. Any future fee determinations will be incorporated in the Agreement through amendments. Since this is a new process, Mr. Foster asked that communication be maintained with all stakeholders and everyone should be flexible throughout the process.

In implementing the cooperative agreement, the agency has established guiding principles to ensure there is CNA accountability, effectiveness, efficiency, integrity and transparency.

The "guide posts" for the agreement are to implement the Javits-Wagner-O'Day Act, Code of Federal Regulations, and Commission Policy, Commission requirements, Omnibus reporting requirements and requirements that align with the Government Accountability Office (GAO) recommendations.

Mr. Foster discussed the macro level timeline of the way ahead and the "no later than" completion dates. A more detailed timeline addresses each step of the process. Mr. Foster developed a RFI so that the CNAs could make recommendations. The Commission will also seek input from the disability community so that they can share their thoughts on what should be included in the agreement.

Mr. Poleo made a few suggestions based on his experience. He suggested that no less than three attorneys review the Cooperative Agreement during the process.

VII. Office of the Inspector General

Mr. Eugene Quinn, Deputy of Compliance, gave an update on the establishment of an agency Office of Inspector General (OIG). First, Mr. Quinn gave some background information. He said the Government Accountability Office (GAO) Report 13-457, from May 2013, recommended Congressional establishment of an AbilityOne OIG. The November 2014 IG Working Report recommended an independent OIG for AbilityOne. There was a draft business case reviewed by GAO and the Council of Inspectors General on Integrity and Efficiency

(CIGIE). The business case was then submitted to Congress and in December 2015 the IG Act was amended.

The U.S. AbilityOne Commission was one of four agencies selected by the GAO to establish an OIG.

Mr. Poleo asked about the rules of engagement in regards to working with the CNAs.

Mr. Quinn explained that this is now a statutory requirement. Mr. Robinson asked about the scope of the IG and asked if they would investigate just the program, or the program and staff. Mr. Quinn responded that the IG could investigate both. Ms. McCulloh asked about the hotline. The OIG can perform independent investigations of allegations, as requested by the agency head. They would also maintain hotlines for employees and others to report confidential information and provide technical advice as new plans are developed. Mr. Quinn said the hotline is an information line where fraud, waste, and abuse mismanagement can be reported.

Mr. Quinn said he and the staff would work with the CNAs and are still working on policies. Ms. Raquel Tamez, General Counsel, SourceAmerica, asked a series of questions about how the IG would be hired and how many full time equivalents would be needed for the office. Mr. Quinn explained that the office is still in the planning stages. He said the vision for the office would include two divisions: Audits and Investigations. He said the IG would report to the head of the agency, Chairperson and Congress.

Mr. Kelly commented that he is looking forward to the progress of IG. He also expressed his interest in holding more Executive Sessions.

VIII. Closing Remarks

Mr. Kesteloot commented on AbilityOne sales that exceeded three billion dollars. He remarked about the changing environment that the program is currently in. He said the establishment of the OIG will ensure that things are done properly.

After no further comments, Mr. Kesteloot adjourned the meeting at 11:30 a.m.

List of Attendees – February 11, 2016

Commission Members

P. Edward Anthony	U.S. Department of Education
Jan Frye	U.S. Department of Veterans Affairs
Harry Hallock	U.S. Department of the Army
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
Anil Lewis	Private Citizen
Karen McCulloh	Private Citizen
J. Anthony Poleo	Defense Logistics Agency
Thomas Robinson	U.S. Department of the Air Force
William Sisk	U.S. General Services Administration
Lisa Wilusz	U.S. Department of Agriculture
Virna Winters	U.S. Department of Commerce
Jonathan Yuen	U.S. Department of the Navy

Commission Staff

Patricia Briscoe
Cory Foster
Brian Hoey
Amy Jensen
Kermit Jones
Muzaffar Karamat
Timi Kenealy
Stephanie Lesko
Barry Lineback
Dennis Lockard
Timi Kenealy
John Konst
Angela Phifer
Eugene Quinn
Janet Yandik
Edward Yang
Kimberly Zeich

NIB

Steve Brice
Angela Hartley
Heather Lyons
Kevin Lynch

SourceAmerica

John Cobb
Clara Conti
Joe Diaz
Elizabeth Goodman
John Kelly
Steve Soroka
Raquel Tamez
Goli Trump
Martin Williams

Government Representatives/Staffers

Ayana Bailey	U.S. Department of Agriculture
Kylie Hager	U.S. Department of the Air Force
Capt. Sherry Jackson	U.S. Department of the Air Force
Dina Jeffers	U.S. Department of the Army
Chantel Smith	U.S. Department of the Air Force
William Sproule	U.S. Department of the Air Force

Others

Barbara Kesteloot	Private Citizen
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FINAL MINUTES

U.S. ABILITYONE COMMISSION

SourceAmerica National Training Conference

Gaylord - National Harbor, MD

Tuesday, April 26, 2016

8:30 a.m. – 12:00 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 8:38 a.m. and made some introductory remarks. Mr. Kesteloot welcomed any National Disability Leadership Alliance (NDLA) members that may have been in attendance.

Mr. Kesteloot talked about the new era of change taking place and said the Office of Inspector General (OIG) has been instituted as well as draft written agreements with the CNAs. Mr. Kesteloot said these changes are significant and make up the “new normal” for the AbilityOne Program.

II. Coin Presentations

Mr. Kesteloot recognized three individuals with U.S. AbilityOne Commission coins for their service to the agency. Mr. Kermit C. Jones, Chief of Staff, asked Mr. Cory Foster and Ms. Kimberlee Wallentine to come forward. First, Mr. Jones introduced Mr. Foster as an acquisition program analyst, currently working with AbilityOne on a developmental assignment with the Commission. Mr. Foster is on a detail from the U.S. Army where he served as the Contracting, Small Business and Life Cycle Logistics Proponency Officer. Mr. Jones said Mr. Foster has acted as project lead and in-house expert on the Cooperative Agreement. Mr. Kesteloot and Ms. Ballard thanked Mr. Foster for leading the project and said it could not have been done without his assistance.

Next, Mr. Jones introduced Ms. Wallentine who currently works in the U.S. Department of Agriculture’s Procurement Policy Division in the Office of Procurement and Property Management. Ms. Wallentine is a contracting expert and assisted the Commission during a critical time in the development of the draft agreement, particularly with the required clauses. Mr. Kesteloot and Ms. Ballard thanked Ms. Wallentine for her invaluable assistance.

Lastly, Mr. Jones mentioned Ms. Chantel Smith who was absent from the meeting. Ms. Smith is a Procurement Analyst at HQ Air Force Contracting, Installation and Sourcing Division. He said the contributions of Ms. Smith were instrumental in helping with several key aspects of the agreement, including research and drafting support documents. Mr. Jones publicly thanked Ms. Smith for her expertise.

III. Consideration of Minutes

Mr. Kesteloot asked if there were any changes to the February 11, 2016 minutes. There were no changes and Mr. Kesteloot called for a motion. Mr. Anil Lewis, Private Citizen member, made a motion that the minutes be accepted. His motion received a second from Ms. Karen McCulloh, Private Citizen member, and the minutes were unanimously accepted.

IV. Executive Director's Report

Ms. Tina Ballard, Executive Director reported on the Commission's proposed Minimum Wage Declaration. By November 2016, Ms. Ballard will invite CEOs to participate in strategy planning to implement the Minimum Wage Declaration. She will have direct communications with nonprofit agencies and will travel around the regions to discuss various issues.

V. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), gave a report on NIB's recent activities. In terms of customer engagement, Mr. Lynch discussed the launch of Zebra Pen Co-Brand. Five thousand product samples will be sent to Abilityone.com customers. They hope to get the word out through social media, creative brochures and marketing vehicles.

In 2016, Military Resale will focus on the end-customer. The emphasis will be made through in-store posters and store advertisements. Mr. Lynch said DeCA's commissary business is doing very well and they are getting an additional six feet of shelf space to show new product lines such as pet products, automotive products, and cosmetics.

Mr. Lynch said NIB is working more with social media with emphasis on employees who are blind to promote NIB's mission. NIB is building a presence on LinkedIn and using other forms of social media such as Facebook and Twitter.

Next, Mr. Lynch discussed employee engagement and the Quality Work Environment (QWE) survey. The survey just wrapped up and the data is being analyzed. He said 45 of 48 QWE participating agencies responded. The purpose of the survey is to understand effectiveness, and establish a list of outcomes and practices. In regards to the Commission Study, NIB's outside vendor has collected responses from ten of the selected NPAs. Assessments and recommendations are preliminary completed and the vendor is planning site visits with a subset of selected agencies.

On May 24-25, 2016, NIB will hold its Public Policy Forum at the Crystal Gateway Marriott. According to Mr. Lynch, there are currently 41 agencies sign up to attend and 26 nonprofit agency employees who are blind are scheduled to participate. He said the keynote speaker is Mr. Charlie Cook, Editor and Publisher of the Cook Political Report, political analyst, National Journal.

Mr. Lynch discussed some of NIB's key initiatives. Tentatively FSSI Industry Day is planned for July 2016 which will include Commission staff and wholesalers. Some of the topics that will be discussed are ETS and how to build AbilityOne sales. NIB has also worked on rolling out cybersecurity training. To date, six participants have been Level I certified and eleven more are prepping for the certification exam.

Mr. Lynch spoke about the career opportunities originating as AbilityOne direct labor. Currently, 22 CMS graduates are employed by the Federal government after working under AbilityOne. Six AbilityOne teleservices direct labor employees were hired by federal agencies and an additional 23 CMS graduates who are blind were hired directly into the public sector. Mr. Lynch highlighted the story of Mr. Jude Lucien, a contract specialist with the U.S. Army and former employee of VisionCorps.

Mr. Lynch gave a brief report on NIB's FY 2016 first quarter business results. He said direct labor hours are up 7.8 percent and people are up 6.1 percent. Wages on products are up 3.4 percent and 2.6 percent for services and overall AbilityOne sales are up 6.1 percent. Textile contracts are winding down this year. In response to a question from Admiral Yuen during the last meeting, Mr. Lynch said the wage range for services for FY 2015 is \$7.96 to \$24.00. Mr. Lynch said he expects the second quarter to be just as strong.

Mr. Kelly asked if there has been a higher number than 4,636. Mr. Lynch responded that they have been above 5,000 and hope to get back there as soon as possible.

Mr. Kesteloot asked how many CNA placements were working under AbilityOne. Mr. Lynch said that there were about 150 and SourceAmerica has some too. He said NIB wants to increase the number of pods by six FTEs by adding more directly tied to Federal funding.

Mr. Kesteloot asked about the transition process to Federal positions. Mr. Lynch said they are hired at branches and if they impress the military personnel, they are offered the full time positions and become government employees. He said they get the opportunity to show what they are capable of.

Mr. Kesteloot asked Mr. Lynch to tell the Commission about the keynote speaker Mr. Cooke. Ms. Angela Hartley said he is a political commentator who is very supportive of AbilityOne. Mr. Lynch echoed Ms. Hartley's comments and added that since it is an election year, it is important to increase advocacy efforts.

SourceAmerica

Mr. Steve Soroka, President and CEO, SourceAmerica, thanked everyone for attending the conference. He talked about the theme of the conference, "It Starts With Us" as compared to last year's theme, "Better Together," which highlighted solutions, advocacy and increasing jobs.

SourceAmerica expanded the Pathways to Careers Initiative which is now in four states (Massachusetts, Michigan, Utah, and Virginia). SourceAmerica and Pathways participants will present to the Advisory Committee on Increasing Competitive Integrated Employment for People With Disabilities to demonstrate ways to move individuals to competitive integrated employment.

In terms of Solutions, SourceAmerica provided training, regulatory and technical assistance for 444 network members through 23 courses and 2,072 completed eLearning sessions.

SourceAmerica conducted 66 regulatory reviews and eight trainings as well as eight regulatory assistance activities. In terms of Advocacy, nonprofit agencies hosted 24 Members of Congress at their project work sites and SourceAmerica received more than 600 responses to its call to action for an AbilityOne goal. SourceAmerica also supported 12 new AbilityOne Congressional Champions.

Mr. Soroka said SourceAmerica increased engagement with the disability community including TASH, National Federation of the Blind (NFB) and the National Council on Independent Living (NCIL). A consensus paper was sent to WIOA on entitlement reform and Section 14(c) of the Fair Labor Standards Act.

Mr. Soroka discussed jobs and how SourceAmerica is focusing on enterprise innovation, the NPA of the future, NPA capability and capacity building, and growing a more powerful, purposeful network.

SourceAmerica graduated its first class of veteran interns and nearly all have found jobs. SourceAmerica created employment for 25 people with significant disabilities through the Ideas to Work Grant Fund and 910 people with significant disabilities have been placed and promoted in the first quarter. Franchise opportunities, the health care food program, and the recycling program generated 2,500 jobs. There are 280 nonprofit agencies and 34,237 employees participating in the Quality Work Environment (QWE) initiative.

The Employee Research System (ERS) was created in 2008 and tracks workforce data and intelligence on employees with disabilities. It includes demographics, payroll information, disability categories, and veteran status. The ERS shows that almost 50 percent of FTEs have intellectual/developmental disabilities, almost 25 percent have mental illness, and the others include smaller percentages with post-traumatic stress disorders, substance abuse/alcoholism, traumatic brain injury, and other disabilities.

Mr. Soroka said the Commission's Minimum Wage Declaration is a very bold statement. He said some people are concerned that full-time employees will be "left behind" if the Minimum Wage Declaration is implemented.

During the last Commission meeting Admiral Yuen asked about placements and promotions and Mr. Soroka responded that the number was up to almost 1,000. In response to a question from Ms. McCulloh, Mr. Soroka said the promotions were across the entire population, but he could provide the data on AbilityOne only later.

Next, Mr. Soroka discussed the war on lost opportunities. He said help is needed from the Commission to find and keep every job possible, leave no person behind, and lose no job opportunities for those we serve. He said a call to action is needed to shape the disability policy conversation, develop capability and capacity, challenge the status quo and determine the future of our network.

Mr. Soroka said this year's Design Challenge combined high school and college participants together. He said there were 400 entrants.

Mr. Kesteloot asked to return to the slide with the ERS Report and asked about the percentages represented in the disability demographic pie chart. He asked about the set aside percentage goal for the AbilityOne Program in the disability category. Mr. Soroka said they are looking at one percent of DoD's budget for AbilityOne. Currently it is .06 percent, equivalent to 10,000 jobs.

Mr. Robinson asked about the traction Mr. Soroka is getting from those he has been in contact with. In terms of support, Mr. Soroka said Mr. Assad continues to be one of SourceAmerica's strongest advocates. He has had various meetings with Ms. Claire Grady, Ms. Susan Pollack and Mr. Dick Ginman. Because of recent media allegations, Mr. Soroka said people are more hesitant to fight for AbilityOne so there is a lot of work to be done. Mr. Kesteloot said he would prefer a two percent goal. Mr. Soroka said SourceAmerica is trying to balance any goal against small business socio-economic programs.

Mr. Kesteloot asked Ms. Ballard to repeat some of her earlier comments due to microphone issues. She repeated some of her earlier comments and also discussed the transformation of compliance. She introduced Ms. Amy Jensen as the new Director of Compliance.

VI. Office of the Inspector General

Ms. Kimberly Zeich, Deputy Executive Director, provided an update on the Office of the Inspector General (OIG). Ms. Zeich provided some brief background information. She said the Government Accountability Office (GAO) Report 13-457, from May 2013, recommended Congressional establishment of an AbilityOne OIG. The November 2014 IG Working Report recommended an independent OIG for AbilityOne. There was a draft business case reviewed by GAO and the Council of Inspectors General on Integrity and Efficiency (CIGIE). The business case was then submitted to Congress and in December 2015 the IG Act was amended. The U.S. AbilityOne Commission was one of four agencies selected by the GAO to establish an OIG.

Ms. Zeich said the OIG was authorized and funded in the 2016 Omnibus. Ms. Zeich outlined the three-year plan for the OIG. In the next six months, the senior staff will be established and will assess needs and risks. In seven to twelve months the infrastructure will be established and policies will be developed. Following implementation of policies, the OIG will take cases and report to the Chairperson. After 36 months, the OIG will be assessed for performance and the final structure will be implemented.

The OIG structure will consist of the Office of Counsel, Office of Management, Office of Audits and the Office of Investigations. According to Ms. Zeich, it will take approximately three years to fully staff the OIG to 23 full time staff and most likely there will be no cases until FY 2017.

Mr. Kesteloot asked about the scope of the audits and investigations. Ms. Zeich said the OIG will be independent and report directly to the Chairperson and Congress.

The Office of Audits will cover corporate governance and finance audits, operational audits, IT audits, contract audits and evaluations. The Office of Investigations will investigate contract fraud, theft of government property and service, environmental crime, health care fraud, illegal hacking into computer systems, workers compensation fraud, employee misconduct, and other special projects will be done.

Next, Ms. Zeich reviewed the milestone chart which began in February and goes to August 2016. The timeline shows a snapshot of the 180 days following the establishment of the OIG. Some of

the first tasks include hiring and training staff, developing policies, buying equipment and IT systems and securing office space.

Ms. Zeich said the OIG is independent of Commission staff and reports directly to the Chairperson and Congress. She said Ms. Jensen and her team will continue to do Compliance for AbilityOne.

VII. Cooperative Agreement

Ms. Ballard gave some background information on the Cooperative Agreement. She said there have been significant civil rights changes in the disability community. In May 2013, the General Accountability Office (GAO) did a study on the U.S. AbilityOne Program. GAO made a recommendation that the Commission should enter into a written agreement with each CNA within a reasonable timeframe. The rationale was to promote greater accountability, effectiveness, efficiency and integrity.

On December 18, 2015, the Consolidated Appropriations Act was enacted which directed the Commission to enter into a written agreement within 180 days – by June 18, 2016. The Commission decided to use a Cooperative Agreement to fulfill the Omnibus. Ms. Ballard introduced Mr. Foster and he explained that a Cooperative Agreement is a contract utilized throughout the Federal Government. He said it is a legal instrument used to transfer a thing of value to the recipient to carry out a public purpose of support. It is used when there is substantial government involvement during performance for the agreement. He said it also satisfies the GAO recommendation and the Omnibus requirement for a written agreement.

Mr. Foster added that the Cooperative Agreement formalizes the relationship between the Commission and the CNAs and meets Congressional mandates which gives it credibility.

Mr. Foster explained that the Commission sought stakeholder input by holding NPA CEO sessions with more than 50 participants. The larger group was broken into smaller groups and the participants identified their “must haves” and reported out to the whole group.

The Commission also met with National Disability Leadership Alliance advocates and had many discussions with the Office of Management and Budget as well as Congressional staffers from various committees and subcommittees. There was a consistent consensus among the NPAs to grow employment.

The Commission also consulted with Subject Matter Experts (SMEs), contracting officials and independent reviewers.

For the first time in program history, there will be a formalization of the business relationship between the Commission and the CNAs. The Cooperative Agreement will drive more accountability, incentivize exceptional performance and optimize AbilityOne Program outcomes.

Mr. Foster went through the mutual benefits the Cooperative Agreement will have for the Commission, CNAs, and NPAs. He said it meets the Congressional mandate, it protects and preserves the AbilityOne Program, and it builds a stronger public case for accountability. It also improves transparency, defines value-added services provided for the fee, builds credibility, and drives better outcomes for the people served by the AbilityOne Program.

Mr. Foster discussed the Performance-based work statement (PWS). Some of the key performance indicators are 1) employment growth, 2) program administration, oversight and integrity and 3) NPA Support, Assistance, and Development and 4) training and strategic communications. The Quality Assurance Surveillance Plan identifies the methods and procedures the Commission will use to ensure CNAs meet minimum performance standards outlined in the PWS.

The rewards for performance above minimum standards will be made through the Award Fee Process. The CNAs will be requested to provide fee proposals after the agreement is signed. The CNAs will collect fees from NPAs as they already do and will establish a special, separate holding account for the Award Fee portion. The Award Fee Review Board determines how much Award Fee was earned based on the Award Fee Plan and the Commission approves access to the Award Fee.

Mr. Foster discussed the way ahead timeline. He said oral presentations will be completed by May 16, 2016 and the Cooperative Agreements must be signed by no later than June 15, 2016. If the agreements are not signed, the CNAs will not be able to collect fees from qualified NPAs. Mr. Foster went on to explain the Award Fee Process and said there would be seven voting members and two non-voting advisors. Those members will consist of private members, public members and Commission staff. He said any fees not collected by the CNAs through the Award Fee Process will be rebated back to the NPAs.

Mr. Kesteloot asked about agreement and the award fee split. Mr. Foster responded that the proposal is a split of 60 percent/40 percent. Mr. Foster said this is the standard process in Federal contracting and used throughout the Federal government. Ms. Ballard said the 60/40 split is meant as an incentive, and not intended to be punitive.

Mr. Kelly asked how the Fee Determination Official (FDO) is selected. Ms. Ballard said it is determined by the Chairperson and left to his discretion. She said on Monday the Commission members held an Executive Session and selected the Deputy Executive Director as the FDO.

In response to a question from Mr. Kesteloot, Mr. Foster said the practice of using an Award Fee Plan and a FDO is heavily used in government contracting. Ms. Ballard expressed her faith in the CNAs to perform. She said the award fee process is not punitive but a way to show accountability.

After fielding several questions by Commission members, Mr. Foster explained the award fee process and how nonprofit agencies will be able to get rebates at the end of the year if the CNAs performance is unacceptable. He said the return of the fee to NPAs will be done on a pro rata basis from what remains or as otherwise directed by the Commission for good of the program.

Ms. Zeich announced that a Commission Update would be held on Wednesday at 11:00 am in Potomac 4-6 for those who would like to receive a more in-depth briefing.

IX. Closing Remarks

Mr. Kesteloot made some brief closing remarks. He complimented Mr. Soroka and Mr. Lynch on their CNA reports. He talked about the changes that the AbilityOne Program is currently undergoing and that transition is not easy, but he believes these changes will strengthen and protect the program for the future.

He said if change is not made, others may come in and do so and we do not want to have someone else implement reform to the AbilityOne Program. He thanked the CNAs again for their cooperation. Mr. Kelly congratulated Mr. Kesteloot on another one-year term as Chairperson.

Ms. McCulloh mentioned the Americans with Disabilities Act (ADA) and WIOA. She said the program needs to deal with the Supreme Court Olmstead Act and the impact of Department of Justice agreements with Rhode Island and Oregon. In reference to the Olmstead issue, Mr. Kesteloot said the NPAs and CNAs should review for the impact it may have on the future employment of the disabled community.

After no further comments, Mr. Kesteloot adjourned the meeting at 10:05 a.m.

List of Attendees – April 26, 2016

Commission Members

P. Edward Anthony	U.S. Department of Education
Jan Frye	U.S. Department of Veterans Affairs
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
Anil Lewis	Private Citizen
Karen McCulloh	Private Citizen
J. Anthony Poleo	Defense Logistics Agency
Thomas Robinson	U.S. Department of the Air Force
William Sisk	U.S. General Services Administration
Lisa Wilusz	U.S. Department of Agriculture
Jonathan Yuen	U.S. Department of the Navy

Commission Staff

Patricia Briscoe
Cory Foster
Brian Hoey
Amy Jensen
Kermit Jones
Timi Kenealy
John Konst
Stephanie Lesko
Barry Lineback
Angela Phifer
Eugene Quinn
Edward Yang
Kimberly Zeich

NIB

Steve Brice
Kevin Campbell
Charles Froemke
Angela Hartley
Heather Lyons
Kevin Lynch
Niels Merino-Thiebado
John Qua
Shawn Spengler
Marie France Vareilles
Matthew Wieseler

SourceAmerica

Jeffrey Barnes
Ryan Blackman
Tim Blair
Mike Caldrone
John Cantwell
Cathy Cooke
Howard Cooke
John Cubert
Kyrisha Deschamps
Brian Dettles
Joe Diaz
Maeve Dilley
Vuslat Eksi
Alicia Epstein
Jessica Eubanks
Meghan Garber
Nancyellen Gentile
Frank Gidcumb
Elizabeth Goodman
Carla Goulart
Maia Henley
Cheryl Hogarth
John Huff
Doug Hughes
Debbie Ignatz
Gary Juskowiak
John Kelly
Jeff Kuper
Simon Lau
Dan Laubler
Harrison Misewicz
Paul Molitoris
Bill Ogletree (Board)
Steven Osher
David Piland
Stephen Plastino
David Reed
Steve Soroka
Chris Stream
Raquel Tamez
Hawani Tessema
Ronald Tomlinson
Goli Trump
Heather Virasteh
Shari Walton
Dionne Williams
Martin Williams

Government Representatives/Staffers

Ayana Bailey	U.S. Department of Agriculture
Melissa Burris	NAVFAC
Karone Blondin	GSA
Jodus Hortin	NAVFAC
Dina Jeffers	U.S. Department of the Army
William Sproule	U.S. Department of the Air Force

Others

Robert Adame	Bonafide Conglomerate, Inc.
Sylvia Amick	Coastal Enterprises of Jacksonville, Inc.
David Anderson	WORK Inc.
Liam Bailey	ORC Industries, Inc.
Barbara Barnard	ORC Industries, Inc.
Jim Barone	PRIDE Industries
Randy Bassett	TIBH Industries, Inc.
Brian Behler	Skills' Kin, Inc.
Peter Berghuis	PRIDE Industries
Vanessa Blake	AHRC NYC (NYSARC, Inc.)
Brenda Bonafair	UniqueSource
Ron Bourque	Easter Seals Greater Waterbury, Inc.
Dick ?	ARC Southern Md.
Helen Briscoe	Anchor Mental Health Association
Kelly Buckland	National Council of Independent Living (NCIL)
Marie Campanoli	Skookum
Jeff Carver	InspiriTec
Sara Carroll	Sara's Mentoring Center, Inc.
Brian Cia	UCP of Arkansas
Charlie Clayton	MQC Enterprises, Inc.
Terry Collard	Chimes DC
Ken Crum	ServiceSource
Dennis Dapolito	ServiceSource
Anthony DeSalis	The Arc of San Diego
Bryan Dodson	Phoenix
Dennis Edwards	Rising Star Resource Development Corp.
Vanessa Ferguson	PCSI
James Flowers	OE Enterprises, Inc.
Tony Garza	Goodwill of Greater Washington
Tim Gates	ORC Industries, Inc.
Neil Gold	ARC of Seneca Cayuga
Peggy Gritt	InspiriTec
Ed Guthrie	Opportunity Village
Mark Hall	ServiceSource
Jeff Harris	AWRC
Misty Heizelman	MVW Services
David Henninger	Bayaud Enterprises, Denver, CO
Allison Hill	Lakeview Center/GCE
Robert Hutt	North Bay Industries (NBI)
Gary Johnloz	AWRC
Matt June	Peckham, Inc.

Barbara Kesteloot	Private Citizen
Lenka Kneschke	ServiceSource
Kent Kramer	Goodwill Industries of Central Indiana, Inc.
Ken Lambright	Knox Goodwill Industries, Inc.
Charles Layman	Goodwill Richmond
Whitney Lester	VersAbility Resources, Inc.
Debra Loudermilk	Sara's Mentoring Center, Inc.
Carlos Martinez	Chimes DC
Tobi Mathouser	Goodwill Industries Omaha, NE
Dean Marino	InspiriTec
Joe McCarthy	Work, Incorporated
Rochelle Mitchell	Rising Star Resources
Gary Murphy	Global Connections to Employment, Inc. (GCE)
Floyd Nesse	ACCSES New Jersey
Mike O'Brien	Development Workshop Inc.
Margaret O'Brien	Goodwill Industries International, Inc.
Christopher O'Connor	Bayaud Enterprises, Denver, CO
Brian O'Keefe	ServiceSource
Julie Osburn	InspiriTec
Dan Owen	Goodwill Industries of South Texas, Inc.
John Owen	Goodwill Industries of South Texas, Inc.
Jim Padgett	Alliance, Inc.
Scott Parry	Goodwill Atlanta
Bruce Patterson	ServiceSource
Steve Perdue	Grand Traverse Industries
Chris Porter	ACCSES
Cong. John Porter (Ret)	ACCSES
Colette Renninger	Skills' Kin, Inc.
Jeff Ring	ServiceSource
Marie Ritcher	TIBH Industries, Inc.
Ron Romano	NYSID
Nadine Schaeffer	InspiriTec
Carroll Schubert	PCSI
Carol Shepard	Coastal Enterprises of Jacksonville, Inc.
Cher Shveet	ServiceSource
Michele Smith	InspiriTec
Xan Smith	GCE
Michelle Stafford	Rochester Rehabilitation Center (RRC)
John Stephens	Great Plains Enterprises, Inc. Las Vegas, NV
Maureen Stokes	WIHCO, Inc.
Eric Stueckrath	Outlook Nebraska, Inc.
Bruce Tarkoff	Elwyn Industries
Diana Valencia	Goodwill Industries of South Florida
Laura Walling	Goodwill Industries International
Dave Ward	Nobis Works
Jerry Weddington	Goodwill Industries of Central Oklahoma
Shawn Wolfgram	Goodwill Industries of Central Indiana, Inc.
Dan Woods	GCE, Inc.
Jodi Wright	MVW Services, Inc.
Fred Zaiko	Monarch

FINAL MINUTES

U.S. ABILITYONE COMMISSION

Arlington, VA

Thursday, January 12, 2017

9:00 a.m. – 1:00 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 9:04 a.m. and made some introductory remarks. Mr. Kesteloot said a lot has changed since he attended his first meeting in September of 2010. He said the name U.S. AbilityOne Commission was established, cooperative agreements have been signed with the CNAs, the Office of the Inspector General (OIG) has been established, and a minimum wage declaration has been distributed.

Mr. Kesteloot talked about the new challenges for the AbilityOne Program. Mr. Kesteloot submitted a cover letter with the IG semiannual report to Congress at the end of November. The letter was sent to the ranking members of the Congressional oversight and appropriations committees.

Mr. Kesteloot provided comments and concerns about the Program including the risk of fraud, waste, and abuse due to insufficient funding and staffing for the Commission. Mr. Kesteloot said the budget is inadequate for a program that serves nearly 50,000 people with disabilities with thousands of Federal contracts, and \$3 billion dollars in sales.

He said the report was brief because the OIG has not conducted any investigations or audits. He said he anticipates that the AbilityOne Program will benefit from an OIG because they will be able to help identify risk.

Mr. Kesteloot said there is a lot of work to be done. The Commission has seen a lot of challenges including demands placed by the National Defense Authorization Act (NDAA) of 2017, increased public scrutiny, increased litigation, and the emergence of consumer group advocacy. He said the program is facing challenges, but he remains optimistic about the future.

II. Consideration of Minutes

Mr. Kesteloot asked for a motion to accept the September 15, 2016 minutes. Mr. Tony Poleo, DLA representative, made a motion that the minutes be accepted. His motion received a second from Ms. Lisa Wilusz, Vice Chairperson, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director reported on five topics: Budget, Union Notification, Organizational Structure/Presidential Appointees, VA/MSP, and FAR/DFARS Cases.

Budget

Mr. Mike Rogers, Chief of Staff, discussed the agency's budget. He gave an overall snapshot of the agency's annual budget. He said 71 percent of the budget is tied to employee's salaries and benefits, 24 percent is tied to rent, contracts and IT support, and five percent is allocated to travel, training and supplies.

In FY 2016, the Commission's annual budget was \$5.4 million. In FY 2017, it increased to \$7.6 million. Currently, the Federal Government is under a continuing resolution (CR) until April 28th. The FY 2017 budget request included an increase to \$10 million which has not been approved yet.

Mr. Kelly asked if the allocation on the pie chart is similar to other agencies. Mr. Rogers responded that the breakout is similar.

Union Notification

According to Mr. Rogers, on August 3, 2016 the Commission received a petition from AFGE Local 12 to establish a union for bargaining unit employees. He said the Commission staff is currently working with GSA Labor Relations to establish a collective bargaining agreement with AFGE Local 12 and it has proven to be a lengthy process.

Mr. Kesteloot asked if there were any new expenses for FY 2017 compared to FY 2016. Mr. Rogers said union representation involving labor relations and GSA attorneys cost \$15,000.

Ms. Ballard asked if the vote was unanimous to establish the union. Mr. Rogers said six out of the eleven eligible bargaining unit employees voted in favor of a union.

Ms. Timi Kenealy, General Counsel clarified the election count results from November 4, 2016. She said the FLRA determines the staff positions that are eligible for the union. A mailed ballot was required to submit your vote. The number of employees who submitted a ballot was six, which were in favor of the union.

Organizational Structure/Presidential Appointees

Ms. Kimberly Zeich, Deputy Executive Director gave several updates. Ms. Zeich provided an update on the status of appointed positions on the Commission. She said there are currently twelve members, none of whom are departing with the outgoing Administration. With Harry Hallock's retirement last month, there are three vacancies: Army, Department of Justice and a Private Citizen. During a change in Administration, with so many appointments to be made, the Commission's vacancies may take more than a year to fill. She said the Commission has operated with seven members while awaiting new appointments.

Next, Ms. Zeich gave an update on the realignment of the Commission's senior staff to meet emerging needs. Mr. Edward Yang, Chief Information Officer has been moved under the Chief of Staff, Michael Rogers. With Nancy Myrick's retirement, Shelly Hammond has joined the staff as Director of Policy and Programs. Mr. Barry Lineback and Ms. Amy Jensen have switched positions as Director of Oversight and Compliance (Mr. Lineback) and Director, Business Operations (Ms. Jensen). The Program Management Office is led by Mr. Cory Foster, Program Manager and Mr. Henry Molnar assists as the Deputy Program Manager while on developmental assignment.

Ms. Gloria Dent is the Acting Director, Veterans Employment and Initiatives, on a detail from the U.S. Department of the Army. The Deputy Director for Compliance position remains vacant. Assistant General Counsel, Mr. John Konst assists Ms. Timi Kenealy, General Counsel while former General Counsel, Dennis Lockard, serves in a part-time supportive capacity.

Veterans Administration (VA)/Medical/Surgical Prime Vendor (MSPV)

Next, Ms. Zeich discussed the Veterans Administration Medical/Surgical Prime Vendor Program (MSPV). She said there is a risk of losing 30 jobs for people who are blind, \$10 million in sales and erosion of compliance with the Javits-Wagner-O'Day (JWOD Act).

By "erosion", Ms. Zeich referred to the recent challenges to the Procurement List and the AbilityOne Program's priority in the wake of the Supreme Court's *Kingdomware* decision. While the *Kingdomware* decision did not address AbilityOne specifically, many inside and outside VA are interpreting it broadly as placing veteran-owned businesses (VOBs) over all other sources, whether mandatory or preference programs.

Ms. Zeich noted that the procurement environment is dynamic, and that changing business models and new contract vehicles may jeopardize AbilityOne jobs and sales. Prime vendor programs often replace Government-run supply rooms to reduce costs and speed up delivery, she said. The AbilityOne strategy has been to authorize commercial prime vendors to resell and distribute Procurement List products.

Ms. Zeich said agency support is key. Contracting activities must incorporate mandatory contract clauses, include AbilityOne items, and include remedies. There are more than 500 AbilityOne items that are included in the VA's requirement in question, such as leg bags, gloves, pajama pants, etc. The VA MSPV Next Generation Program's period of performance began on December 1, 2016. They have a period of 20 months with two, 20-month options, with an aggregate ceiling of \$4.6 billion.

The contract will be managed by VA's Strategic Acquisition Center based in Fredericksburg, VA. The following firms have received awards: American Medical Depot, Miramar, FL (small business); Kreisers, Inc., Sioux Falls, SD (small business); Cardinal Health, Dublin, OH (large business); and Medline Industries, Inc., Mundelein, IL (large business).

The Commission sent letters to the VA Contracting Office and to the Head of Veterans Health Administration (VHA) in Fredericksburg seeking a reversal of certain VA decisions to exclude product categories that affect Procurement List items, but there has been no response. The Commission has asked its OIG to reach out to the OIG for VA and requested a meeting with the Office of Federal Procurement Policy (OFPP).

Federal Acquisition Regulation (FAR)/Defense Federal Acquisition Regulation Supplement (DFARS) Cases

Next, Ms. Zeich updated the Commission on the staff's engagement with three regulatory rulemaking processes in the last year that affect government wide or DoD-wide acquisition. She noted the amount of time required to work on such regulatory changes, by subject matter experts and the Office of General Counsel, to ensure that the AbilityOne Program is protected.

In the first case, Federal Acquisition Regulation (FAR) Case 2015-015 Strategic Sourcing Documentation, the Commission staff worked with the FAR team to clarify language that could have put the AbilityOne BSC Program at a disadvantage, making it more burdensome to justify purchasing there. The case is likely to be discussed by the Civil Agency Acquisition Council (CAAC) this quarter (a precursor to finalizing the language), and Ms. Zeich said she is optimistic about it.

In the second case, FAR Case 2015-026 Contractor Use of Mandatory Sources; Updates to FAR Subpart 8.7, the Commission staff is working to expand the FAR Clause to require contractors to use AbilityOne Products when performing services – as well as when they fulfill products. Other technical updates are being made to Subpart 8.7 as well. The CAAC and the Defense Acquisition Regulations (DAR) Council are reconciling their edits in order to proceed to initial FR publication.

In the third case, DFARS 2015-D012, Military Dining Services, DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to provide policy and procedures for awarding contracts for the operation of military dining facilities pursuant to the Randolph-Sheppard Act and the JWOD Act (and the NDAA).

The DAR Council agreed to a draft final rule in December. The next step is to seek approval from the Director, Defense Procurement and Acquisition Policy to publish the draft final rule. If and when she approves, DoD will meet with the other Federal agencies involved to discuss the final rule. The next step in the rulemaking process following the discussion will be for DoD to submit the rule to OMB/OIRA (Office of Information and Regulatory Affairs) for clearance to publish the rule in the Federal Register.

Mr. Kesteloot asked if the proposed rule gives priority to AbilityOne or Randolph-Sheppard. Ms. Zeich referred to the status quo established by the Joint Policy Statement – full food service priority goes to Randolph-Sheppard, while mess dining attendant priority goes to the AbilityOne Program for Procurement List consideration. She said this multi-agency agreement was made back in 2006 or 2007.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), outlined the agenda for his presentation. Mr. Lynch said he would discuss business results, the cooperative agreement, key initiatives and challenges and looking ahead.

First, Mr. Lynch played one of NIB's newest videos entitled, "Our Mission is to Support Yours."

Next, Mr. Lynch gave a brief summary of the FY 2016 year-end business results. He said there were 5,824 employees who are blind employed at NIB and its associated agencies, which was a big jump from last year. Unfortunately, the number of new employment opportunities created for people who are blind decreased from 479 to 319. The number of people who are blind who were promoted or obtained competitive positions increased from 372 to 400. Wages and benefits paid by NIB associated agencies to direct labor employees who are blind was \$119 million and the average hourly rate paid by NIB increased from \$10.92 to \$11.22.

Mr. Lynch gave an update on some of the notable milestones regarding the cooperative agreement. He said the annual reps and certs have been submitted and the joint CNA/Commission monthly meetings have continued. He said the immediate focus is on the NPA flow-down agreements. There was significant reporting due in January and first quarter reports are due in February. NIB is working from the motto first shared by the Commission last October of TEAM: Together Everyone Achieves More.

Professional Mastery of Office Technology for Employment (ProMOTE) is one of NIB's key initiatives along with the NIB Fellows Program. ProMOTE has had 16 graduates in two classes. In October, three new fellows joined the sixth Fellowship for Leadership Development program. During their first rotation, the fellows will work on projects in various NIB departments. Their second rotation will include work at a NIB agency and the final rotation may lead to work in the private sector or a nonprofit agency.

Mr. Lynch thanked Ms. Ballard and Mr. Soroka for participating in NIB's New Executive Training.

Mr. Lynch was excited to announce that NIB broke ground on their new building location in Potomac Yards in October 2016. The ceremony was attended by NIB staff and leadership and local government officials including the Mayor of Alexandria.

NIB signed a ten-year agreement with Kaiser Permanente of the Mid-Atlantic States to lease 40,000 square feet in the building. NIB headquarters will have 53,000 square feet and the remaining 7,000 square feet will be slated for retail. The first floor will house retail space for Kaiser's vision center. The new building is expected to open in mid-2018.

The new office will house a state-of-the-art conference center that will have the latest accessible technologies. Mr. Lynch invited the Commission to host future meetings at their new location. A blind architect and expert on universal design, Mr. Chris Downey, was hired to advise NIB on the building's elements. Mr. Downey's life experience will give a unique perspective through his architectural design.

Mr. Lynch briefly spoke about the challenges faced by the VA mentioned by Ms. Zeich. He said it is a very difficult situation and many people will be impacted. He said the *Kingdomware* decision and rule of two could have a significant snowball effect. He said NIB plans to meet with the VA's Strategic Acquisition Center next week.

According to Mr. Lynch, the current structure of conferences will undergo significant changes. He said the spring Public Policy Forum will be transformed and become more employee focused, including public policy training for Advocates, Hill visits and employee of the year recognition. It is scheduled for June 27-28, 2017 at the Crystal Gateway Marriott. The fall conference will be

more business-centered and will include an expo, customer awards and training. It is scheduled for October 4-6, 2017 also at the Crystal Gateway Marriott.

Mr. Lynch ended his presentation by showing a brief video featuring Mr. Richard Oliver, Director of Sales and Marketing, Industries of the Blind, Greensboro, NC – “What the AbilityOne Program Means to Me.”

Mr. Lewis inquired about the 400 employees who received promotions and asked how many transitioned to management from direct labor. Mr. Lynch said he would provide that data. Mr. Lewis commented that the video was great.

SourceAmerica

SourceAmerica President and CEO, Mr. Steve Soroka said he would report on the following topics: Cooperative Agreement, FY 2016 year-end mission by the numbers, FY 2016 impacts, FY 2017 challenges, and FY 2017 opportunities.

Mr. Soroka shared the passing of former Senior Vice President, Strategy and Innovation, Dennis Fields. He said several members of the staff would travel to North Carolina to extend condolences.

Mr. Soroka said several positive events have occurred since the last Commission meeting, including the signing of the Cooperative Agreement and the closing of the U.S. Department of Justice’s criminal investigation. He said SourceAmerica Counsel is still working to close the civil case.

Mr. Soroka emphasized a heightened collaboration with the Commission and NIB in regards to the Cooperative Agreement. He said Ms. Cathy Cooke, Assistant Vice President for Program Management Office (PMO) is working closely with Mr. Cory Foster, Commission Program Manager; deliverables are on schedule. There is also regular communication with NIB. Mr. Soroka continues to meet with Ms. Ballard and Mr. Lynch for regular meetings.

In regards to the NPA “Flow Through” agreement, he said it is still in progress. SourceAmerica has gathered NPA feedback through a series of forums and webinars. He said they have incorporated comments and submitted a draft agreement to the Commission and another feedback session is tentatively scheduled for February 8.

Next, Mr. Soroka reviewed the FY 2016 year-end numbers. He said labor hours were up 0.7 percent from FY 2015. He said upward mobility, placements and promotion are up 6.3 percent to 3,485 which exceeded the goal of 3,270. The average hourly wage went up 3.7 percent from \$12.80 to \$13.27.

In terms of jobs, the numbers dipped slightly 2.2 percent from 43,119 to 42,183. Also, the percentage of ratio-compliant NPAs also went down one percent from 97 percent to 96 percent.

Legislation, litigation and media were of significant focus in FY 2016 as well as the Cooperative Agreement negotiation and implementation. SourceAmerica also maintained focus on agency acquisition-policy and strategies including contract consolidation, insourcing, increased full and open competition and small business.

SourceAmerica is strategically engaging with the stakeholder community. SourceAmerica is working with the Commission on the National Defense Authorization Act language related to the 898 panel and plans to meet with Department of Defense (DoD) leadership tomorrow.

Mr. Soroka reported that there has been no reference to the CNN story since last year. Mr. Soroka held a positive meeting with the new CEO of TASH, Ms. Ruth Beckwith. Ms. Barbara Trader has retired.

Mr. Soroka is working with Mr. Jan Frye, U.S. Department of Veterans Affairs to see about setting a goal for the program to hire disabled veterans.

In terms of the new Administration, Mr. Soroka said he will have to wait and see if anything is planned for the program.

Some of the challenges SourceAmerica is facing in FY 2017 include increased volatility in federal spending, a need for greater AbilityOne Program awareness and education, changing societal views on fully integrated employment and growing pressures on NPAs.

SourceAmerica is increasing its media visibility with spots on WTOP radio and other media. He said he does not foresee the disappearance of fully integrated employment as a hot topic. There has been growing pressure on the NPAs in terms of pricing strategies. SourceAmerica is focused on the viability of the network, and, particularly ensuring smaller NPAs have the infrastructure to be successful.

Mr. Soroka said there are new opportunities in FY 2017 to strengthen the program by expanding awareness and education, establish a goal, and maintaining integrity. There is a long list of services and other areas where SourceAmerica can do business with federal agencies to create employment opportunities. He would like to see a DoD goal and hopefully consideration of a government-wide goal if DoD is successful.

Mr. Soroka proposed forming an advisory group to address some of the acquisition challenges facing the program.

Several members of the Commission had a robust discussion about the Workforce Innovation and Opportunity Act (WIOA) and its potential implications for the AbilityOne Program. Mr. Soroka suggested job opportunities may be significantly impacted and several Commission Members indicated WIOA does not prohibit referrals but removes incentive for VR counselors to place consumers in AbilityOne community rehabilitation programs. Some members of the Commission confirmed their belief that competitive integrated employment is a critical outcome. Several members agreed to have subsequent conversations with Mr. Soroka.

Mr. Lewis stated that his interpretation was that WIOA didn't hurt the Program or limit recruiting for the AbilityOne Program.

Mr. Kesteloot added that looking back to the 1960's, competitive integrated employment was the goal and (NPA) CEOs believe that is their mission.

V. Cooperative Agreement Update

Mr. Cory Foster, Program Manager, gave a brief background on the establishment of the cooperative agreements. He reminded everyone that the 2016 Omnibus required the Commission to establish written agreements with the CNAs. SourceAmerica signed their agreement on June 15, 2016 and NIB signed theirs on June 17, 2016. There are minor differences between the two agreements.

Last fall, the Commission staff established a Program Management Office, and hired Mr. Foster as the Program Manager to manage the cooperative agreements. A few months later Ms. Shelly Hammond was hired as the Director, Policy and Programs, and she will serve as the Agreement Officer to execute the cooperative agreements.

Mr. Foster gave a status report on current tasks and deliverables. He said the Commission staff completed the Program Fee Proposal Evaluation and made recommendations to the Business Excellence/Stewardship (BES) Subcommittee on January 5, 2017. The CNAs are submitting deliverables in accordance with the schedule and PWS requirements. The Commission is currently executing modification 03 for SourceAmerica and modification 02 for NIB to clarify some PWS requirements and deliverables.

According to Mr. Foster, the CNAs are in the process of developing quarterly reports for FY 17 – first quarter. SourceAmerica's is due at the end of January and NIB's is due by mid-February. SourceAmerica Modification 03 will revise the due date for quarterly deliverables and FY 17 first quarter deliverables will be due in mid-February. The Commission staff is in the process of developing tools to evaluate the CNA's performance.

Mr. Foster outlined the way ahead and said the Program Fee recommendation to the Commission must be developed no later than February 13, 2017. This process will result in a decision document.

The PMO will continue working with the CNAs to establish NPA agreement templates. The Commission is currently reviewing NIB's flow-through agreement and intends to host another NIB NPA Feedback session (date TBD). The Commission has scheduled a feedback session for SourceAmerica NPAs for January 31, 2017. The PMO continues to host monthly meetings with the CNAs.

Mr. Foster said the CNA's performance will be evaluated on a semi-annual basis (quarterly internal evaluations).

VI. Closing Remarks

Mr. Kesteloot thanked the Commission members and staff for their continued hard work to ensure that goals are met. The meeting ended at 10:25 am.

List of Attendees – January 12, 2017

Commission Members

P. Edward Anthony	U.S. Department of Education (via teleconference)
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
Anil Lewis	Private Citizen
J. Anthony Poleo	Defense Logistics Agency
Thomas Robinson	U.S. Department of Air Force
Jennifer Sheehy	U.S. Department of Labor (ODEP)
William Sisk	U.S. General Services Administration
Lisa Wilusz	U.S. Department of Agriculture
Virna Winters	U.S. Department of Commerce
RADM Jon Yuen	U.S. Department of the Navy

Commission Staff

Tina Ballard
Eric Beale
Gloria Dent
Cory Foster
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
John Konst
Stephanie Lesko
Barry Lineback
Dennis Lockard
Angela Phifer
Michael Rogers
Julia Wiggins
Kimberly Zeich

NIB

Steve Brice
Angela Hartley
Kevin Lynch
Heather Lyon
John Qua
Matthew Wieseler

SourceAmerica

Cathy Cooke

Clara Conti

Joe Diaz

Nancyellen Gentile

Elizabeth Goodman

John Kelly

Steve Soroka

Raquel Tamez

Martin Williams

Government Representatives/Staffers

Ayana Bailey U.S. Department of Agriculture (via teleconference)

David Berthiaume U.S. Department of Labor (ODEP)

Henry Molnar U.S. Department of the Army

Susan Pollack U.S. Department of Defense

William Sproule U.S. Department of Air Force

Others

Barbara Kesteloot Private Citizen

FINAL MINUTES

U.S. ABILITYONE COMMISSION

Arlington, VA

Thursday, April 27, 2017

10:30 a.m. – 12:30 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 10:35 a.m. and made introductory remarks. Mr. Kesteloot began with a moment of silence and a tribute to Vice Chairperson Lisa Wilusz, whose untimely passing left a huge void on the Commission membership.

Next, Mr. Kesteloot congratulated Mr. J. Anthony Poleo, former Chairperson and Department of Defense representative on his upcoming retirement. He said Mr. Poleo was known for making impressive decisions and always stayed engaged with the Commission and subcommittees while making himself available to the staff. When Mr. Poleo traveled on other DLA business, he would take time out to visit AbilityOne agencies in the area.

Mr. Poleo received a standing ovation from his colleagues. He said he is very humbled and honored to have served and his work with the Commission has influenced some of his retirement plans.

Mr. Kevin Lynch, President and CEO of the National Industries for the Blind (NIB), presented Mr. Poleo with a Louis Braille coin. Mr. Steve Soroka, President and CEO of SourceAmerica presented Mr. Poleo with the SourceAmerica Pinnacle Award, the highest honor given by SourceAmerica, along with an American flag made by people with significant disabilities.

Mr. Poleo introduced Mr. Matthew Beebe, as a potential DLA nominee to succeed him on the Commission.

II. Consideration of Minutes

Mr. Kesteloot asked for a motion to accept the January minutes. Rear Admiral Jonathan Yuen, U.S. Department of the Navy, made a motion that the minutes be accepted. His motion received a second from Mr. Thomas Robinson, U.S. Department of the Air Force, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director turned her report over to Mr. Barry Lineback, Director of Oversight and Compliance to discuss the current complaint policy.

According to Mr. Lineback, the definition of "complaint" is a verbal or written statement that describes a wrong the offending party committed and a basis for relief. Mr. Lineback reviewed

his responsibilities as the Director of Oversight and Compliance. His responsibilities include training for his team, review and approval of responses to all complaints processed by his team, conducting reviews for closed complaints, and providing weekly updates to the Deputy Executive Director and monthly updates to the Executive Director on systemic issues.

Mr. Lineback emphasized the importance of people to the AbilityOne Program. He said there is a zero tolerance policy in regards to abuse of NPA employees. The policy states that complaints from NPA employees will be processed within its authority and complainant will be notified of resolution. Complainants will be referred to their appropriate agency when a complaint is outside of the Commission's authority. No one shall interfere, obstruct, impede or disrupt the complaint process.

Mr. Lineback identified one exception to the policy – it does not include complaints made by the Commission or other Federal employees.

Mr. Lineback outlined the procedure for complaint which includes a written or verbal complaint to a member of the Compliance team. The complaint will be processed within two business days. The compliance team will prepare a written report with a course of action and disposition. A legal review will also be made as appropriate. All fraud, waste, and abuse allegations will be referred to the Office of Inspector General (OIG).

Mr. Lineback said the policy will be posted on the AbilityOne website.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), outlined the agenda for his presentation. Mr. Lynch said he would discuss business results, program issues, key initiatives and upcoming events.

Mr. Lynch gave a brief summary of business results. He said the first and second quarter of 2017 has been challenging. He said there were 4,648 employees who are blind employed for the end of FY 2017 quarter one, as compared to 4,636 in FY 2016, a 0.26 percent increase. The number of direct labor hours went down to 1,480,843 as compared to 1,490,660, a 0.66 percent difference. Wages paid to direct labor employees went up from FY 2016 to FY 2017 during the first quarter. The average hourly wage for products increased 7.02 percent from \$10.11 to \$10.82 and for services the wages went up 5.55 percent from \$14.42 to \$15.22. Total AbilityOne sales decreased 3.2 percent from \$175.9 million in the first quarter of FY 2016 to \$170.2 million in the first quarter of FY 2017.

Mr. Lynch briefly spoke about the challenges faced by NIB-associated agencies relating to the U.S. Department of Veterans Affairs (VA) and the PDS bid protest. He said the *Kingdomware* decision and "Rule of Two" regulation change is problematic for the Winston-Salem IFB case and PDS litigation against the VA. Mr. Lynch is in close contact with Commission member and VA representative Jan Frye. Mr. Frye said he plans to attend a meeting with the Deputy Secretary. Mr. Lynch said they are still awaiting the judge's ruling.

Mr. Robert Kelly, Private Citizen member, asked Mr. Lynch to explain the Rule of Two. Essentially, it is a limited competition process. The VA must limit competition to service-disabled veteran-owned businesses when a contracting officer has a reasonable expectation, based on market research, that two or more verified firms are likely to submit offers and an award can be made at a fair and reasonable price that offers the best value to the United States.

Mr. Lynch said the NIB Board passed a resolution that NIB must protect the business they already have. They are concerned about the impact of not doing anything.

Mr. Lynch said the Professional Mastery of Office Technology for Employment (ProMOTE) program continues to be one of NIB's key initiatives in FY 2017, along with the NIB Fellows Program.

NIB's National Symposium will be held on June 27-28, 2017 in Crystal City. Day one will include the general session and a variety of training sessions. Day two will include Capitol Hill visits and employee recognitions. The recognition banquet will be held later that evening.

Mr. Lynch ended his report by showing an employee video: "What the AbilityOne Program Means to Me," featuring Mr. Quan Leysath, Manager, Product Development Support.

SourceAmerica

SourceAmerica President and CEO, Mr. Steve Soroka reported on the following topics: Cooperative Agreement, FY 2016 year-end mission by the numbers, FY 2016 mission impacts, Federal customer satisfaction, recent key activities, and a focus on the future.

Mr. Soroka said while SourceAmerica is on track to meet their Cooperative Agreement metrics and goals, there have been some challenges with job growth. At the same time, his staff is implementing measures to safeguard compliance by enhancing quality control methods and improving processes. The NPA Flow-Through agreement is progressing and SourceAmerica submitted a draft to the Commission.

Mr. Soroka reviewed the FY 2017 first quarter numbers. He said there were fewer procurement additions, they were down almost four percent. He said labor hours were down 3.7 percent – 10.3 million as compared to 10.7 during the last fiscal year. He said upward mobility, placements and promotions are up 1.6 percent to 3,042 which increased from 2,992 from FY 2016. The average hourly wage went up almost three percent from \$13.13 in FY 2016 to \$13.48 in FY 2017.

In terms of jobs, he said the numbers dipped slightly, 2.3 percent from 34,365 to 33,559. Also, comparing the first quarter of FY 2017 to the first quarter of FY 2016, the percentage of NPAs who maintained a 75 percent direct labor hour ratio went up two percent, from 94 percent to 96 percent.

Mr. Soroka said SourceAmerica is facing many challenges. Policy changes are creating a tough environment. He showed a slide depicting a decline of sales over the past eleven years.

Mr. Soroka shared the results of the Federal Customer Satisfaction research. Overall satisfaction remains stable at 83 percent. He said 81 percent of SourceAmerica federal customers are likely to recommend the AbilityOne Program to others, and 77 percent are likely to use the AbilityOne

Program. More than four out of five federal customers are satisfied with the AbilityOne Program and more than four out of five are satisfied with their SourceAmerica office.

SourceAmerica identified new opportunities under development with the FCC, the Architect of the Capitol, U.S. Department of the Army, HHS, Labor and the State Department. Key submissions to the Commission through second quarter include: Whidbey Island Naval Base, Defense Science Center, DOJ custodial, FCC digitization services and the first total facilities maintenance (TFM) project with the Navy. To support the Cooperative Agreement's reciprocal purchasing requirement, SourceAmerica developed and plans to implement a new eCommerce portal that offers 4,000 AbilityOne products available nationwide. It will debut the portal on May 2nd during the SourceAmerica National Conference.

SourceAmerica hosted several meetings with key Federal customers to increase program awareness and understanding and strengthen collaboration. SourceAmerica also coordinated a memorandum of agreement with NIB to improve collaboration between the CNAs and address an equitable work share.

Since the last Commission meeting, SourceAmerica has supported Commission staff in advance of the first meeting of the DoD 898 panel. With support and through advocacy and formal comments, SourceAmerica was able to successfully influence language in the Federal Acquisition Regulatory Council's final rule issued in January with regard to contracts under the Small Business Administration's 8(a) Program.

SourceAmerica continues to engage the NPA network in advocacy efforts related to implementing regulations and guidance for the Workforce Innovation and Opportunity Act. SourceAmerica looks forward to meetings with Dr. Ed Anthony, the deputy commissioner of the Rehabilitation Services Administration and Ms. Betsy DeVos, the new Secretary of Education, as well as the 15 state VR directors who have eliminated the referrals to the AbilityOne Program.

Mr. Kesteloot inquired about the increase in AbilityOne employee wages for the CNAs. Mr. Soroka said \$13.48 is the average hourly wage paid by nonprofit agencies associated with SourceAmerica. Mr. Lynch said the average hourly wage for nonprofit agencies associated with NIB for products is \$10.82, and for services is \$15.22.

Rear Admiral Jonathan Yuen, U.S. Department of the Navy, asked if the customer satisfaction survey involved NIB and Mr. Soroka said it only included questions regarding SourceAmerica.

Mr. Soroka introduced Ms. Rose Stern as the new Senior Vice President and Legal Officer.

VI. Compliance Update

Mr. Barry Lineback, Director of Compliance and Oversight, indicated that PROVAIL, a nonprofit agency (NPA) based in Seattle, WA failed to achieve the AbilityOne Program's statutory agency overall direct labor hour (DLH) ratio requirement of 74.50 percent or higher during fiscal years FY 2015 and FY 2016. The NPA ended each of the fiscal years at 71.11 and 62.02 percent respectively. Mr. Lineback said PROVAIL would give a presentation to the Commission and no decisions would be made. He emphasized that it would only be a listening session and a decision document would be distributed to the members at a later date.

Mr. Michael Hatzenbeler, President and CEO, PROVAIL, introduced the NPA. PROVAIL has been around for 75 years and was founded in 1942 by parents of children with cerebral palsy. It is a large, multi-service provider for children and adults with many types of disabilities.

Mr. Hatzenbeler was accompanied by Mr. Alexander (Sandy) Gibb, Director of Manufacturing and Sales, PROVAIL.

PROVAIL services includes a Community Living Program which is a 24-hour program that supports adults living with developmental disabilities and traumatic brain injuries. There is a therapy clinic that assists with speech and occupational therapy as well as assistive technology. PROVAIL also has integrated, community-based and customized employment for high school students and adults with many types of disabilities. They have a nationally recognized autism hiring program partnership with Microsoft.

PROVAIL was established as a machine shop to produce parts for Boeing in 1960. According to Mr. Hatzenbeler, today PROVAIL's integrated workplace performs hands hand assembly, kitting, and complex machining including CNC milling and water jet cutting. PROVAIL currently has 55 employees, and gross sales are at \$3.9 million.

PROVAIL has been in the AbilityOne Program since 1988, and employs four people with significant disabilities to manufacture clamp loops for the Defense Logistics Agency (DLA) Troop Support and DLA Land and Maritime. The manufacture of clamp loops for DLA is periodic and irregular in the quantities ordered.

Mr. Hatzenbeler said corrective action was originally proposed in June 2016. PROVAIL proposes to create a separate, related corporation for all the work and labor associated with its increasing commercial sales. PROVAIL, the current qualified nonprofit corporation, would retain all the work and employ all the labor associated with its AbilityOne contracts. As a result, the agency overall DLH ratio and its AbilityOne project-specific DLH ratio would be identical. There is a plan to complete incorporation by September 2017. PROVAIL's tax and legal advisors are already working on details of the structure.

Dr. Anthony, Department of Education, inquired whether PROVAIL would have separate boards with the establishment of the related corporation. Mr. Hatzenbeler responded in the affirmative, and said the subsidiary falls under PROVAIL. In response to a question from Mr. Robinson, Mr. Hatzenbeler said PROVAIL has a sales and marketing plan that includes AbilityOne work as well as commercial work.

Mr. Lineback said he has been very impressed with PROVAIL's pursuit of business opportunities. Mr. Hatzenbeler said he forecasts that AbilityOne sales will pick up soon.

Mr. Hatzenbeler and Mr. Gibb said they are committed to following their corrective action plan to get back in compliance.

VII. Closing Remarks

Mr. Kesteloot thanked the Commission members and staff for being mindful of the agenda and staying on track. Mr. Poleo gave his final remarks about his tenure with the Commission. He ended the meeting by saying, "The program is always about the people we serve...it's not about us."

The meeting concluded at 11:54 a.m.

List of Attendees – April 27, 2017

Commission Members

P. Edward Anthony	U.S. Department of Education
Jan Frye	U.S. Department of Veterans Affairs
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
J. Anthony Poleo	Defense Logistics Agency
Thomas Robinson	U.S. Department of Air Force
Jennifer Sheehy	U.S. Department of Labor (ODEP) (via teleconference)
William Sisk	U.S. General Services Administration
Virna Winters	U.S. Department of Commerce
RADM Jon Yuen	U.S. Department of the Navy

Commission Staff

Maaz Ali
Tina Ballard
Gloria Dent
Cory Foster
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
John Konst
Stephanie Lesko
Barry Lineback
Angela Phifer
Michael Rogers
Julia Wiggins

NIB

Angela Hartley
Kevin Lynch
Heather Lyon
Matthew Wieseler

SourceAmerica

Cathy Cooke
Clara Conti
Joe Diaz
Nancyellen Gentile
Elizabeth Goodman
Steve Soroka
Rose Stern
Martin Williams

Government Representatives/Staffers

Myra Morgan	Defense Logistics Agency
William Sproule	U.S. Department of Air Force

Others

Alexander (Sandy) Gibb	PROVAIL
Michael Hatzenbeler	PROVAIL
Barbara Kesteloot	Private Citizen

FINAL MINUTES

U.S. ABILITYONE COMMISSION

Arlington, VA

Thursday, July 13, 2017

8:30 a.m. – 10:30 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 8:30 a.m. and made introductory remarks.

Mr. Kesteloot made a few comments regarding the Continuing Resolution. Next, Mr. Kesteloot welcomed Mr. Thomas Lehrich, newly appointed Inspector General (IG), to the meeting. Mr. Lehrich discussed his background and career. Mr. Kesteloot thanked the Commission members who served on the OIG interview team. The team included: Mr. William Sisk, General Services Administration (GSA), Ms. Virna Winters, Department of Commerce, Mr. Robert Kelly, Private Citizen, and Ms. Allison Learner, Vice Chair of Council of the Inspectors General on Integrity and Efficiency (CIGIE). Mr. Kesteloot thanked Mr. Michael Rogers, Chief of Staff, for working closely with the Office of Personnel Management (OPM) and the U.S. General Services Administration (GSA), to expedite the appointment of the IG. He stated that there were a lot of great candidates and everyone is pleased to welcome Mr. Lehrich to the Commission.

II. Consideration of Minutes

Mr. Kesteloot asked for a motion to approve the February minutes. Ms. Winters made a motion that the minutes be accepted. Her motion received a second from Mr. Kelly, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director, reported on the FY 2017 Section 898 Panel and gave an update on the Cooperative Agreement. Ms. Ballard said the first Section 898 Panel meeting was held on June 1st and was well attended by representatives from the U.S. Department of Defense (DoD) and the Commission. She said the members were actively engaged and clearly committed to achieving the NDAA Section 898 requirement.

Ms. Ballard stated there will be six subcommittees and members of the Section 898 Panel have identified which subcommittee they would like to participate on. The Panel Charter has been established and meetings will be scheduled as necessary by the Chair of the Panel, but will meet in accordance with the statute (every three months). She anticipates that the Section 898 Panel will meet every quarter, and subcommittees in the intervening months. Ms. Ballard asked Mr. Cory Foster, Director of the Program Management Office, to give an update on the Cooperative Agreement. Mr. Foster discussed the current status of the Cooperative Agreement

and the way ahead. He stated that June 2017 marked the one-year anniversary of the establishment of the Cooperative Agreements.

Mr. Foster said the CNAs have been submitting deliverables in accordance with the Cooperative Agreement's Performance Work Statement as well as the schedule of deliverables. The Cooperative Agreement is driving the CNAs' behavior and they are in the process of developing the quarterly reports for the end of quarter three. These reports will be submitted to the Commission staff no later than August 15th.

Mr. Foster said the Commission is in the process of conducting semi-annual evaluations of the CNAs' performance based on results from the second quarter. There have not been any significant issues of performance within the first six months of performance, but because the process is fairly new, there are still some wrinkles that need to be ironed out. He said enhanced collaboration and increased transparency into business operations and expenditures with both CNAs is needed.

Upon completion of the semi-annual evaluations, the PMO will conduct a brief with both CNAs to outline the results of their performance in order to have a shared understanding of the Commission's expectations, as well as the Commission's evaluation process. It also gives the CNAs an opportunity to focus on those areas that require improvement prior to reaching their annual performance evaluation at the end of the fiscal year.

Mr. Foster said each CNA is required to establish flow down written agreements, with each of their nonprofit agencies, in order to outline the responsibilities of CNA's and the expectations of the non-profit agencies. Prior to implementing those written agreements with the nonprofit agencies, the CNAs are required to submit an agreement template to the Commission and the staff will review that template and grant approval to each CNA. The PMO met with NIB's associated non-profit agency CEO's back in June, as well as NIB's executive leadership team to discuss the terms and conditions that should be included in the flow down agreement. Based on that discussion, NIB is expected to provide an update of the agreement template to the Commission no later than July 14th.

In regards to SourceAmerica's flow through agreement, SourceAmerica's General Counsel met with the Commission's General Counsel, as well as representatives of the NCSE (a working group of SourceAmerica affiliated non-profit agencies). The meeting was held in April 2017 and SourceAmerica submitted their recommended agreement template in May to the Commission staff for final approval. The Commission Staff General Counsel is currently identifying which terms and conditions are required to be implemented in that flow through agreement. Once everything is confirmed, the Commission will grant approval for SourceAmerica to begin execution of their flow through agreements with their nonprofit agencies.

Mr. Foster said the Commission will continue to host monthly meetings with the CNAs to determine, maintain, and enhance collaboration. The Commission is focused on finalizing the performance-based fee ceiling plan, which will outline how the CNAs' performance will impact their annual program fee ceiling determinations. The plan will ensure that the CNAs are appropriately funded for the level of performance which they provide. Therefore, the plan should closely align with the program fee ceiling determination and the CNA's annual performance.

The end of NIB's initial agreement was 18 months and that term will end in December. The Commission is expecting to execute modifications to extend the period of performance by six

months per the option period that is included in the initial agreement. Shortly thereafter, negotiations with NIB will take place to establish the second iteration of the Cooperative Agreement.

All of the latest versions of the Cooperative Agreements and subsequent modifications can be found on the AbilityOne.gov website and they are located under the “FOIA reading room.”

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), outlined the agenda for his presentation. Mr. Lynch said he would discuss business results, program issues, key initiatives and upcoming events.

Mr. Lynch said the first and second quarter of 2017 have been challenging. He said there were 4,040 employees who are blind employed for the end of FY 2017 quarter two, as compared to 4,031 in FY 2016, a 0.22 percent increase. The number of direct labor hours went up to 2,878,953 as compared to 2,868,104, a 0.38 percent difference. Wages paid to direct labor employees went up from FY 2016 to FY 2017 during the second quarter. The average hourly wage for products increased 3.43 percent from \$10.19 to \$10.54 and for services the wages went up 4.87 percent from \$14.36 to \$15.06. Total AbilityOne sales decreased -7.1 percent from \$363.8 million in the second quarter of FY 2016 to \$337.8 million in the second quarter of FY 2017.

Mr. Lynch briefly spoke about the challenges faced by NIB-associated agencies relating to the U.S. Department of Veterans Affairs (VA). He said that due to the Supreme Court’s Kingdomware decision and the “Rule of Two,” the VA has taken the position that the Rule of Two must apply for all procurements at the VA, including those that are on the mandatory procurement list under the AbilityOne program.

Mr. Lynch mentioned the Court of Federal claims making a ruling under the PDS case. NIB is in the process of looking at various options in terms of appeal. Mr. Lynch stated that NIB along with two of its nonprofit agencies, had to file litigation against the VA, challenging that the federal acquisition regulation modified by the VA in March did not go out for public comment. Mr. Lynch stated that NIB wrote a letter this week to the VA General Counsel to again ask if the VA has put out any kind of formal direction to their contracting personnel in regards to the PDS case. He said they have not received a response.

A major issue affecting the program is the Workforce Innovation Opportunity Act (WIOA). NIB has been to the Hill and has gained positive responses in terms of WIOA. In response to an inquiry from Mr. Robinson, Mr. Lynch said legislation that was passed back in 2016 or 2015 has resulted in the WIOA. He said there were a number of disability community advocates who dislike the AbilityOne program and they did a substantial amount of lobbying.

Mr. Kesteloot agreed with Mr. Robinson’s perspective and said he is concerned about the creation of one act (WIOA) by Congress, that may cause harm and damage to another act (JWOD). He said that question should be researched among the disability community. He said a

lot of people from the disability community depend on AbilityOne for jobs, but somehow this ideology has been adopted by people in the rehabilitation community.

Mr. Kelly asked Mr. Lynch to explain the “Rule of Two” in more detail. Mr. Lynch answered that the Rule of Two came out of legislation that was passed back in 2006 that was designed to support disabled veteran owned businesses. What it basically says is that when the VA has a competitive bid for procurement, before they put it out on the market, they are supposed to find out if at least two service-disabled veteran-owned small businesses are capable and meet the requirements to provide that product or service. If so, then there is a set aside for them to bid on.

Mr. Lynch mentioned his concerns about leakage. Currently, there is a House bill out that deals with online purchasing. The Commission needs to be aware of the impact in terms of employment lost due to leakage. NIB asked Commission members to ensure their agencies use FSSI contractors (authorized dealers) to make Skilcraft purchases.

Mr. Lynch thanked Mr. Robinson and Ms. Zeich, both presented at the general session for NIB’s Annual Symposium. He also mentioned NIB’s annual training conference and expo that will be held in Crystal City at the beginning of October.

Mr. Lynch ended his report by showing an employee video: “What the AbilityOne Program Means to Me,” featuring Mr. Quan Leysath, Manager, Product Development Support.

SourceAmerica

SourceAmerica President and CEO, Steve Soroka reported on the Cooperative Agreement, the mission by the numbers, mission impacts and recent key activities that strategically position SourceAmerica and the AbilityOne Program for the future.

Source America passed the one year mark of the Cooperative Agreement on June 15th and will continue to meet the requirements. Mr. Soroka reported on the intense multi-week on-site review with Commission staff members that focused on three process areas: 1) Prime contracts, 2) NPA recommendations and 3) fair market price determinations and looks forward to final report findings July 15. Additionally, SourceAmerica submitted a fee ceiling proposal and awaits Commission feedback on the award fee plan included in the original Cooperative Agreement. SourceAmerica is also preparing for the Commission semi-annual performance review anticipated mid- July.

Mr. Soroka reported a slight drop in Direct Labor Hours, 0.3 percent compared to year-over-year due in part to a decline in Procurement List (PL) additions over the last two years. Despite challenges, SourceAmerica continues to focus on growth off the base and PL additions. Additionally, wages are up about 3.0 percent, ratio compliance is at 97 percent and sales are up 1.4 percent.

Mr. Soroka stated approximately 1,000 jobs and nearly \$50 million dollars of annual business is at risk related to implementing policies of the Department of Veterans Affairs (VA). He reported on multiple activities to address the situation

Mr. Soroka also provided an update on impacts of WIOA policy, specifically the definition of competitive integrated employment and actions by the Department of Education Rehabilitation Services Administration which is eliminating AbilityOne as a job option.

SourceAmerica hosted executives and AbilityOne employees from 46 nonprofit agencies (NPAs) representing 41 states plus Puerto Rico and Washington, DC at the 2017 Grassroots Advocacy Conference in June. While the focus was on people with disabilities, participants also supported a message related to WIOA including a change to the definition of competitive integrated employment, while supporting AbilityOne as a choice.

Mr. Soroka highlighted activities to strengthen federal growth including a successful annual partnering meeting with GSA. The organization also continues to work closely with NATICK to address some of their concerns of how they work together with NIB and SourceAmerica. SourceAmerica and NIB reached an agreement to ensure better collaboration on NATICK requirements.

Mr. Soroka discussed current innovative concepts that strategically position SourceAmerica, including Social Enterprises of the Future, an initiative launched with the NCSE and led by a working group of NPAs and self-advocates to examine societal and legislative pressures and the future of work for people with disabilities. Mr. Soroka also reported on the expanded Pathways to Careers initiative in Utah, state-wide and working with the vocational rehabilitation staff in Utah. Additionally, he provided an update on activities to expand capacity of the SourceAmerica network and increase responsiveness to federal customers. Mr. Soroka highlighted work related to the Produces Surge Military Readiness initiative.

Mr. Soroka closed his report with the NBC Nightly News Inspiring America segment that positively portrayed SourceAmerica and an AbilityOne employee. The feature initially aired to an audience of more than 7 million.

Mr. Matt Beebe, Department of Defense Commission Member requested Mr. Soroka coordinate with Defense Logistics Agency (DLA) to help focus SourceAmerica's efforts and informed Mr. Soroka that during his upcoming trip to Philadelphia he planned to visit with Elwyn Industries. Mr. Soroka expressed appreciation and responded that SourceAmerica is communicating with the DLA team in Philadelphia.

In response to Mr. Kesteloot's request for clarification related to placements, Mr. Soroka said there were over 4,000 but they were not from AbilityOne; they were non-AbilityOne. There were 883 placements this past quarter on the AbilityOne side.

VI. OIG Update

Mr. Thomas Lehigh, OIG, spoke about his background and then explained that the OIG will be working as the new oversight organization for the agency. Mr. Lehigh stated that he will illustrate the activities in the office and that he is changing the organization so that planning activities result in execution of work.

In his first few weeks, Mr. Lehigh met with Congressional staffers for the oversight Committees in the Senate and House.

Mr. Lehigh reported that in one of his meetings with the Senate appropriators, they asked if the IG would submit a revised budget request.

The OIG issued a draft of the bi-annual audit plan for comments and that's going to guide the oversight activities in the next two years. After receiving feedback from the Commission, the plan will be finalized.

In the next several months, the OIG will perform a risk scan of the Commission. Mr. Lehigh said that will help to validate from a methodological standard and to identify risk.

The OIG has selected a vendor for the hotline. Mr. Lehigh said the OIG is in the process of standing up a hotline center to receive calls, through email and via telephone. The projected timeline is the first week of August.

Mr. Lehigh said the OIG will issue an investigative priority plan in a transparent way. The future hiring of additional employees will depend on the development of the budget and the funding levels. Mr. Lehigh said, the OIG is creating an audit manual, to ensure the OIG G complies with audit and yellow book standards and follows the requirements of the IG Act.

In response to a question from Mr. Kelly concerning how much time Mr. Lehigh has spent learning about the program, Mr. Lehigh stated that he is a life learner and he will continue to learn throughout his tenure. He said he is focused on issuing a bi-annual audit plan and conducting the OIG's first audits.

Mr. Kesteloot recognized Mr. Anil Lewis, Private Citizen member, who joined the meeting by phone. Mr. Lewis invited Mr. Robinson to come visit and tour the National Federation of the Blind.

VII. Election

Mr. Kesteloot introduced Commission General Counsel, Timi Kenealy, to facilitate the Election. Ms. Kenealy said she included a more detailed description of the election process in the member's read-ahead briefing. Ms. Kenealy began with the Vice Chairperson slate. Ms. Kenealy explained that the Nominating Subcommittee was led by Mr. Kelly and Ms. Winters. She said there would also be an opportunity for anyone who hadn't already done so, to express their interest for the open position and nominations would be taken from the floor as well.

Ms. Winters stated that the nomination for Mr. Robinson as Vice Chairperson was received and asked if any other members were interested in nominating someone or if they would also like to be considered. No other nominations were presented. Ms. Kenealy said the statute required a roll call vote even though Mr. Robinson was the only nominee.

Ms. Kenealy asked Ms. Winters to make a motion to begin the voting process. The roll call began and each member present cast a vote for Mr. Robinson for the position of Vice Chairperson. Mr. Kelly made a point of order for Mr. Robinson to become the new Vice Chairperson. His order was seconded by Mr. Lewis. Mr. Kesteloot approved the vote and there was a round of applause.

Mr. Kesteloot then thanked them for filling in for Lisa and said that he did a great job, welcome aboard.

Mr. Lewis made comments about the great work Mr. Kesteloot is continuing to do under unfortunate circumstances (Ms. Wilusz' passing) and thanked him for his leadership.

VII. Closing Remarks

Mr. Kesteloot gave his closing remarks. First, he thanked Senior Advisor, Brian Hoey for his support during the search and recruitment for the IG position. He said Mr. Hoey's experience in government relations and Congressional affairs was very helpful.

Mr. Kesteloot said he is always impressed by agency visits. He said the members should visit the agencies whenever they have time on their schedule and he would especially like Mr. Robinson to go on visits as the newly elected Vice Chairperson. Mr. Kesteloot said the next Commission meeting is scheduled for October 5, 2017.

Mr. Kesteloot made a motion to adjourn, and received a second from Mr. Kelly. Mr. Kesteloot said there would be an Executive Subcommittee meeting directly following the end of the public meeting. The meeting adjourned at 10:24 a.m.

Commission Members

P. Edward Anthony	U.S. Department of Education
Matthew Beebe	U.S. Department of Labor
Jan Frye	U.S. Department of Veterans Affairs
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
Anil Lewis	Private Citizen (via teleconference)
Susan Pollack	U.S. Department Of Defense
Thomas Robinson	U.S. Department of Air Force
Jennifer Sheehy	U.S. Department of Labor (ODEP) (via teleconference)
William Sisk	U.S. General Services Administration
Virna Winters	U.S. Department of Commerce
RADM Jon Yuen	U.S. Department of the Navy
Dave Berthiaume for Sheehy	

Commission Staff

Maaz Ali
Tina Ballard
Gloria Dent
Cory Foster
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
John Konst
Stephanie Lesko
Barry Lineback
Michael Rogers
Julia Wiggins
Ed Yang

NIB

Angela Hartley
Kevin Lynch
Heather Lyon
Matthew Wieseler

SourceAmerica

Cathy Cooke
Clara Conti
Joe Diaz
Nancyellen Gentile
Elizabeth Goodman
John Kelly
Steve Soroka
Rose Stern
Martin Williams

Government Representatives/Staffers

Myra Morgan	Defense Logistics Agency
William Sproule	U.S. Department of Air Force

Others

Alexander (Sandy) Gibb	PROVAIL
Michael Hatzenbeler	PROVAIL
Barbara Kesteloot	Private Citizen

FINAL MINUTES

U.S. ABILITYONE COMMISSION

NIB Conference
Crystal Gateway Marriott
Arlington, VA

Thursday, October 5, 2017

3:00 – 5:00 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 3:00 p.m. and made introductory remarks.

Mr. Kesteloot commended Mr. Kevin Lynch, President & CEO, National Industries for the Blind (NIB) and his team on a wonderful conference including an extraordinary opening session.

During the Cooperative Agreement discussions, some of the CEOs said they would like for the Commission members and staff to make visits to some of the nonprofit organizations.

Mr. Kesteloot discussed his recent site visits to agencies. He said he had a great visit to Bosma Industries and met with Mr. Lou MoneyMaker. He attended Bosma's ribbon-cutting ceremony for the grand opening of their new facility along with Mr. Robert Kelly, Private Citizen member. Mr. Kesteloot also traveled to Cincinnati Association for the Blind and met with Mr. John Mitchell. He said both facilities were very impressive and the CEOs are running world-class organizations. Mr. Kesteloot also visited Outlook Nebraska and saw the manufacturing process of toilet paper. Ms. Tina Ballard, Executive Director, joined Mr. Kesteloot of a few of the visits which also included Goodwill Easter Seals in Dayton Ohio, a SourceAmerica agency that has a significant number of services for people who are blind.

Mr. Kesteloot said since the government is still operating under a Continued Resolution (CR) for FY 2018, there is a limited travel budget. Mr. Kesteloot is hopeful that once the CR ends, he will continue to make agency visits.

II. Consideration of Minutes

Mr. Kesteloot asked for a motion to approve the July minutes. Vice Chairperson Thomas Robinson made a motion that the minutes be accepted. His motion received a second from Ms. Virna Winters, U.S. Department of Commerce member, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director, reported on the FY 2017 National Defense Authorization Act (NDAA) 898 Panel. The NDAA 898 panel was established in 2017 by legislation directing the Secretary of Defense to establish a panel on Department of Defense (DoD) and AbilityOne contracting oversight, accountability, and integrity. The first full report is due to Congress in March 2018.

There are seven subcommittees, one for each of the specific priorities listed under the NDAA. Ms. Ballard is the lead for the Veterans Eligibility and Acquisition and Procurement subcommittees. The Veterans Eligibility subcommittee is responsible for recommending criteria for veterans with disabilities to be eligible for the AbilityOne Program based on disability documentation issued by the Department of Veterans Affairs. The Acquisition and Procurement subcommittee is responsible for providing specific guidance on contracting and procurement. The next meeting NDAA 898 Panel meeting is scheduled for January 30, 2018.

Next, Ms. Ballard asked Mr. Cory Foster, Director, Program Management Office (PMO), to give an update on the Cooperative Agreement. Mr. Foster stated that the CNAs are in the process of submitting their deliverables in accordance with the deliverables schedule in the Cooperative Agreement, as well as the performance work statement.

The Commission Staff recently completed their semi-annual evaluation process that was based on the end of quarter two FY 2017 results. The Commission PMO has scheduled independent meetings with each CNA to discuss the outcomes from the evaluation as well as ensure there is a shared understanding of the Commission's expectations, as well as minimum performance requirements. Meetings have been scheduled with SourceAmerica on October 26 and NIB on October 31. The CNAs are also in the process of developing their end-of-year reports for FY 2017. The fourth quarter reports are due to the Commission no later than November 30.

In regards to the way ahead, Mr. Foster said the Commission staff will continue to evaluate the CNAs performance on a semi-annual basis. The staff will continue to conduct outbriefs and discussions with both CNAs. Increased collaboration and transparency has been realized in regards to the CNA's business operations as well as financial information, so that synergy will continue to be maintained. The Cooperative Agreement, as well as the quality assurance surveillance plan, is being used to ensure the government is receiving a quality of service from the CNAs that is consistent with the level of Program Fee collected.

The next performance evaluation is scheduled to be conducted in January 2018 and Mr. Foster said the CNAs will be assessed based on their FY 2017 annual performance. NIB's initial agreement term is scheduled to expire on December 17 and the Commission is in the process of extending that agreement by six months. He said the latest Cooperative Agreements will be maintained on the AbilityOne website (www.abilityone.gov). Mr. Foster will continue to hold monthly meetings with both CNAs.

Ms. Timi Kenealy, Commission General Counsel, gave a presentation on the Rule of Two. She said there are five cases in various court jurisdictions across the country. There is a U.S. General

Accountability Office (GAO) protest that involves three cases in the U.S. AbilityOne Program. The Commission is not a party to that case but comments were submitted by Ms. Kenealy on behalf of the Commission. That case was filed under protective orders so those comments are not available to the public. There is a related protest from that case that was filed in the Court of Federal Claims on September 25 by Goodwill of South Florida, also related to one of those contracts. According to Ms. Kenealy, there is no activity going on in that case right now and it is in its early stages.

Two district court cases were filed, one in May by NIB, Bosma and Alphapointe that administratively consolidated into one for ease of the court to handle in DC District Court. That case challenges the VA's actions to officially implement a class deviation to the VA acquisition regulations, specifically to 808.002. The other district court case filed in the district court of Colorado by SourceAmerica, and by Bayaud, has not had a lot of activity. At this point, they are waiting for the government to file its response. In both of those cases the Commission, although not a named party, is considered part of the United States defendants.

Next, Ms. Kenealy discussed the PDS Consultants Inc. case in which the Court of Federal Claims issued its judgment on June 28. The judge subsequently issued a stay of that order at the request of Winston-Salem. That stay basically directs the VA to purchase all eyewear products and services that are on the procurement list while the appeal is pending. The government filed what is called a protected notice of appeal to preserve its right to appeal. All appeals must be the decision of the solicitor general of the United States. The newly appointed Solicitor General has not determined whether the U.S. will enter an appeal. The VA's position has been that it has filed a statement of notice of its intent to continue to apply the class deviation that was issued March 2017 to apply the Rule of Two to all of these procurement efforts.

Mr. Kesteloot stated that he had a couple of questions and needed clarifications regarding the stay. He asked if they would be able to continue to purchase products from the AbilityOne not-for-profit agencies until the decision is made. Ms. Kenealy responded that was correct, and is pending the appeal of the PDS case to the Federal Circuit Court. The stay is restricted to Vision 2 and Vision 7. Mr. Kesteloot asked Ms. Kenealy to explain Vision 7 and wanted to know if it was a geographical area. Ms. Kenealy responded that the VA has implemented some different geographical regions solely related to eyewear products and services.

Ms. Ballard offered condolences for the loss of former Commission Member, Ms. Evelyne Villines. Mr. Kesteloot made remarks about Ms. Villines, an extraordinary advocate in the disability community.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), outlined the agenda for his presentation. Mr. Lynch said he would discuss business results, program issues, key initiatives and upcoming events.

Mr. Lynch gave a brief summary of business results. He said the first and second quarter of 2017 have been challenging. He said there were 4,255 employees who are blind employed for the end of FY 2017 quarter three, as compared to 4,230 in FY 2016, a 0.59 percent increase. The number of direct labor hours went up to 4,359,151 as compared to 4,350,613, a 0.20 percent increase. Third quarter wages paid to direct labor employees went up from FY 2016 to FY 2017. The average hourly wage for products increased 3.54 percent from \$10.16 to \$10.52 and for services the wages went up 3.89 percent from \$14.36 to \$14.92. Total third quarter AbilityOne sales decreased -6.47 percent from \$558.6 million in the third quarter of FY 2016 to \$522.4 million in the third quarter of FY 2017.

Mr. Lynch highlighted some of the high-level challenges that are creating uncertainty within the AbilityOne Program, including the Department of Veteran Affairs procurement policies, the federal government operating under a continuing resolution, the impact to the nonprofit agencies of implementation of the Workforce Innovation and Opportunity Act (WIOA), and compliance with JWOD Act by online marketplaces.

Mr. Lynch briefly spoke about the ProMOTE "Train the Trainer" class hosted in March that provides in-depth training. He spoke about the NIB Fellows program where individuals work on management projects on a rotational basis for 18 to 24 months. They work three cycles of different areas of the business. Mr. Lynch introduced the three Fellows, Mr. Joe Conway, Ms. April Havey, and Mr. Irwin Ramirez, who spoke about their respective experiences as Fellows. Mr. Kesteloot commended NIB on the Fellows Program and told Mr. Lynch they are doing a great job.

Mr. Kelly asked Mr. Lynch about finding new products. Mr. Lynch responded that it is always a challenge for a number of reasons. He said one of the most significant challenges is to get the government customer to be willing to sponsor. He also said they are trying to shift from lower to higher-end, more specific, custom products, such as padlocks and door locks.

Mr. Anil Lewis, Private Citizen, asked Mr. Lynch if he had any information on salary ranges and Mr. Lynch said he did not have those details immediately available, but could provide more specific information at a later time. Mr. Lewis asked if NIB could provide data on the NIB Fellows who have completed the program. Mr. Lynch answered that all 14 of the fellows have been placed in managerial positions.

SourceAmerica

SourceAmerica President and CEO, Mr. Steve Soroka, discussed cooperative agreement performance, mission by the numbers, growing jobs outside of the PL, key collaborations with NIB, and other key initiatives that strategically position SourceAmerica and the AbilityOne Program for the future.

Mr. Soroka reported a slight drop in direct labor hours, 0.01 percent compared to year-over-year due in part to a decline in Procurement List (PL) additions over the last two years. Despite challenges, SourceAmerica continues to focus on growth off the base and PL additions.

Additionally, wages are up about .03 percent, ratio compliance is at 97 percent and sales are up 1.4 percent.

Mr. Soroka stated over 100 projects are at risk related to implementing policies of the Department of Veterans Affairs (VA). He reported on multiple activities to address the situation.

Mr. Soroka talked about the passing of Ms. Evelyne Villines, age 87, a true pioneer in the disability community. Ms. Villines was twice appointed as a Commission Member and SourceAmerica Board Member. Ms. Villines was inducted into the National Hall of Fame of Persons with Disabilities. She was also actively involved in the passage of the Americans with Disabilities Act of 1990. Mr. Soroka said a rededication of the Evelyne Villines Conference Room will take place at SourceAmerica later this month.

Mr. Kesteloot thanked Mr. Soroka and made comments regarding Ms. Villines. Mr. Kesteloot asked if there were any questions for Mr. Soroka. Mr. Kelly asked Mr. Soroka how the .03 percent hourly wage increase compare to the private sector. Mr. Soroka responded that the majority of SourceAmerica service contract jobs compare quite favorably. He said there is a small segment of the population that work on products and based on productivity that can bring the average wage down to what was presented.

Mr. Lewis asked Mr. Soroka about the lows and highs and Mr. Soroka said he would provide those numbers at a later time.

VI. OIG Update

Mr. Thomas Lehigh, Office of Inspector General (OIG), gave an update on what he has learned about the AbilityOne Program through program visits, forums and walking through the observations from his first report on the top management challenges.

Mr. Lehigh said he thought the program visits would help him learn about the business of the program and the technical and detailed aspects of products and services the OIG needed to perform oversight. He said he discovered something more powerful. He asked the question how will we deal with the life you believe you were promised versus the life you are living?

The program participants at the various NPAs Mr. Lehigh visited have overcome and prevailed by achieving what they thought was a promised life, their achieved result is a job and independence. He said the stories and outcomes are all personal and different, but the results of this program are the same. The AbilityOne Program is elevating employees to the higher state.

Next, Mr. Lehigh discussed the milestones the OIG reached in the past few months. In a collaborative effort with the OIG, the agency issued a memorandum of cooperation to all staff that sets forth the agency's support of the new OIG. He said the foundation of mutual respect and roles were outlined.

The OIG completed a comprehensive two-year audit plan outlining the first set of engagements to be completed. Mr. Lehigh said they carefully designed eight potential audit jobs and have to

solicit the right mix of audit activity given their lack of resources for a program over three billion dollars in size. He said the OIG will do its best to provide oversight coverage.

Mr. Lehigh said the OIG's webpage is up and has populated content. He also said the OIG has partnered with the oversight.gov initiative, an innovative, government-wide project across the IG community. In addition to the webpage, the OIG hotline center is now operational. Mr. Lehigh said the OIG can receive calls 24 hours a day, the hotline email address has been enabled, and there is a fillable form on the internet for receiving complaints of waste, fraud, and abuse. Also, the OIG has initiated a market plan of hotline capabilities.

The OIG has issued an investigative priorities report and has started a new platform for investigative output. He said he will discuss their innovative and well-tested approach in more detail at a future meeting.

Mr. Lehigh said the OIG is fully engaged in the 898 Panel work through statutory membership and subcommittee participation.

The first OIG report was issued to frame, at a high level, the top challenges of the agency to begin to focus on where to concentrate the audit activity to best help the Commission.

Mr. Lehigh reviewed the four challenges:

Management Challenge 1: Erosion of Statutory Program Authority Confronting the AbilityOne Program

Management Challenge 2: Progress and Challenges in the Compliance Process

Management Challenge 3: Essential Elements in Implementing an Enterprise Risk Management Capability

Management Challenge 4: Lack of Adequate Resources Impacts Program Effectiveness

Mr. Lehigh said the OIG is poised to provide assistance in enhancing economies, efficiencies and the confidence in their programs. There are challenges such as adequate resources, changing and evolving marketplaces, and the work economy. He said they will continue to drive their expertise, seeking improvement in the programs as a trusted partner.

VII. Closing Remarks

Mr. Kesteloot thanked the Commission members and staff for being mindful of the agenda and staying on track. Mr. Kesteloot then spoke about his joys of being on the Commission.

The meeting concluded at 4:40 p.m.

List of Attendees – October 5, 2017

Commission Members

P. Edward Anthony	U.S. Department of Education
Jan Frye	U.S. Department of Veterans Affairs
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
Anil Lewis	Private Citizen
Thomas Robinson	U.S. Department of Air Force
Virna Winters	U.S. Department of Commerce
Jonathan Yuen	U.S. Department of Navy

Commission Staff

Maaz Ali
Tina Ballard
Gloria Dent
Kasia Dourney
Cory Foster
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
Stephanie Lesko
Barry Lineback
Michael Rogers
Julia Wiggins

Office of Inspector General (OIG)

Marcos Contreras
Thomas Lehrich
Stefania Pozzi Porter
Eugene Quinn Jr.

National Industries for the Blind (NIB)

Angela Hartley
Kevin Lynch
Heather Lyon
Matthew Wieseler

SourceAmerica

Cathy Cooke

Joe Diaz

Nancyellen Gentile

Elizabeth Goodman

John Kelly

Steve Soroka

Rose Stern

Government Representatives

Matthew Beebe

Defense Logistics Agency (Potential Nominee)

David Berthiaume

U.S. Department of Labor (ODEP)

FINAL MINUTES

U.S. ABILITYONE COMMISSION

1401 S. Clark Street, Suite 715
Arlington, VA

Monday, July 2, 2018

9:00 – 11:15 a.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 9:00 a.m. and made introductory remarks. Mr. Kesteloot welcomed back Ms. Kimberly Zeich, Deputy Executive Director, after a 10-month hiatus. Ms. Zeich graduated from the Dwight D. Eisenhower School for National Security and Resource Strategy, a part of the National Defense University. The Eisenhower School is a United States military educational institution tasked with preparing selected military officers and civilians for senior national security leadership positions dealing with the resource component of national power. Ms. Zeich was awarded a Master of Science degree in national resource strategy.

Mr. Kesteloot announced the retirement of both Admiral Jonathan Yuen, U.S. Department of the Navy, and Mr. Jan Frye, Department of Veterans Affairs. Admiral Yuen received accolades from the Commission, NIB and SourceAmerica. First, Admiral Yuen received a tactile flag from Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB). Next, Mr. Steve Krotosky, Acting President and CEO, SourceAmerica awarded Admiral Yuen with their pinnacle award in light of his support of many AbilityOne projects, including Base Supply Centers and ship provisioning.

II. Consideration of Minutes

Mr. Kesteloot asked for a motion to approve the January 2018 minutes. Mr. Robert Kelly, Private Citizen, made a motion that the minutes be accepted. His motion received a second from Mr. Thomas Robinson, U.S. Department of the Air Force, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director, introduced the new Acting Director of Compliance, Michael Mack. Mr. Mack is a former Sergeant Major of the Marine Corps. Mr. Mack introduced his Inspection Team, Ms. Wakita Wilson, Mr. Zafor Ullah, and two retired Army veterans who are working as contractors, Ms. Karen Hill and Mr. Arturo Jauregui. Both have an extensive IG background with the Army. The new revitalized Compliance team will be back on the road soon doing compliance visits.

The first National Defense Authorization Act (NDAA) 898 Panel Report was submitted to Congress with 41 recommendations. Ms. Ballard will have a presentation on the 898 report during the NIB Conference in November.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), outlined the agenda for his presentation. Mr. Lynch said he would discuss the Cooperative Agreement Key Performance Indicators (KPIs): employment growth; program administration, oversight and integrity; NPA Support, assistance and development; and training and strategic communications.

Mr. Lynch said there has been growth in all of the KPIs. First, he discussed KPI #1: Employment Growth mission results. In Quarter 2, AbilityOne Sales have increased 7.2 percent, a total of \$361.4 million in commodities and services.

Next, Mr. Lynch said NIB is fully supportive of the 1.5 percent AbilityOne utilization goal language found in the House bill NDAA (H.R. 5515). The bill is being closely monitored. Mr. Lynch also discussed the commercial e-Commerce portals initiative. He said Phase 2 of the GSA/OMB implementation plan is underway, focusing on market research and consultation. NPAs were surveyed in April to determine the impact of WIOA and there have been widespread and significant impacts. NIB NPAs began experiencing a decline in employment referrals in early 2017 and has become more significant in 2018. Mr. Lynch said NIB NPAs as a whole also have experienced a decline in non-employment referrals.

The WIOA impact differs by state, from states that refuse to work with any NIB AbilityOne-associated NPA to those that look at each individual's situation. There are no waivers for AbilityOne.

Mr. Lynch said KPI #2, Program Administration, Oversight, Integrity focuses on fairness and transparency. NIB updated its assignment policy in Quarter 1 of FY 2018 and there is an upcoming IG review planned. Through March 2018, there are 88 total assignments: 29 large NPAs, 37 medium, and 22 small in the products area. In services, there are a total of 7: 1 large, 4 medium, and 2 small. In regard to third-party verification, Mr. Lynch said NIB was recently audited for the latest enhanced standard and preliminary indication that NIB would receive certification.

The 2017 financial audit was an independent review of financial statements. The audit was successful and showed no findings.

Mr. Lynch said KPI #3: NPA support, assistance, development, showed support to NPAs through various grants. He said grants have doubled in the past five years to one million dollars in grants awarded to agencies. In addition, in FY 2016, there were three million dollars in incentive awards. The NPA loan program assisted with capital costs and purchasing of materials.

Mr. Lynch said NIB compliance staff will visit all producing NPAs in FY 2018. There have been 24 visits to date in FY 2018. The NPA employee engagement survey, focused on AbilityOne direct labor employees and will be fielded in FY 2019.

In terms of KPI #4, training and strategic communications, the marketing focus was on the year-long campaign and celebration of the Skilcraft government pen's 50th Anniversary. The key messaging is that the pen has produced U.S.-based jobs, highlighting the capabilities of people who are blind. There has been significant media exposure with an Associated Press story generating 261 articles worldwide and 436 million impressions. The pen was also featured on WTOP.com and other radio interviews.

Mr. Lynch reported that the Veterans Awareness Campaign highlighted veterans who are blind working at NIB-associated agencies. Some of the strategies used included: veterans-themed issue of NIB's Opportunity magazine, a social media campaign, and national media outreach. The campaign also emphasized veterans employment, wounded warrior support, and military/Veterans Affairs work that highlighted stories of blind veterans.

In regards to NIB staff training, NIB developed the second cohort of NIB middle-managers. The staff participated in Lean Six Sigma process improvement training, with 72 percent of all NIB staff having obtained yellow-belt certification. NIB continues to focus on their new executive orientation and AbilityOne training (40 attendees); compliance summit (30 attendees) and rehab engineering forum (57 attendees). There were 12 new Advocates in the class of 2018. The next New Business Management Training class will commence in September 2018. All three NIB fellows have secured full-time employment.

Mr. Lynch said NIB held their first-ever Virtual Career Fair to help qualified job seekers who are blind find employment. Approximately 200 job seekers participated and 23 NPAs held formal interviews from a pool of blind candidates.

Mr. Lynch thanked everyone for their support of the National Symposium held on April 16-19 featuring 72 NPA Employees of the Year. He announced that the NIB Training Conference and Expo is scheduled for November 14-16, 2018 at the Crystal Gateway Marriott in Arlington, VA. There will be a veterans-focused theme.

Mr. Lynch ended his report by showing a video of one of the advocates for leadership, Ms. Chervelle Amaker, an essential needs coordinator at the New York State Preferred Source Program for New Yorkers Who Are Blind.

Mr. Kesteloot commended Mr. Lynch on his report focusing on the KPIs. He asked if the surveys showed a drop in placements and if AbilityOne is being counted or if integrated employment is a factor. Mr. Lynch responded that there has been a negative impact of the Department of Education (DOE) guidance and counselors are not making referrals. They are also getting some indications from Vocational Rehabilitation that they are not going through on the process of evaluating each job.

Mr. Kelly inquired whether the award program is at the NPA level or employees, and Mr. Lynch responded that it is the NPA itself.

SourceAmerica

SourceAmerica Acting President and CEO, Mr. Steve Krotonsky, discussed SourceAmerica's cooperative agreement performance, their mission by the numbers, and quarterly business review.

Mr. Krotonsky said the SourceAmerica Board began a search for a new CEO at the beginning of June.

The significantly disabled direct labor hours for FY 2018 increased to 20.7 million, a 1.5% change from FY 2017. The number of DFTEs added of growth from the base of existing business in FY 2018 Q2 was 420. Labor hours increased and placements rose 32%. He said there was a drop in AbilityOne upward mobility, placements and promotions from 1,612 in FY 2017 to 1,513 in FY 2018. Jobs also decreased from 36,168 to 34,839. The percent of ratio-compliant NPAs also dropped slightly from 97 percent to 95 percent.

Mr. Krotonsky discussed the target ratings for the Cooperative Agreement and said SourceAmerica would like to move to exceptional performance in all categories. He said they formed a team of NPAs to explore sharing best practices within the network. The PLIMS accuracy rate is 87.6% and Procurement List additions are averaging 139 days, both in good rating. For Objective 4, he said overall NPA attendance is showing well over QASP measure of 246 already in Q3, which will put SourceAmerica on track for the exceptional category.

Mr. Krotonsky said SourceAmerica is expanding their growth foundation and sharpening their customer focus. They have realigned internal teams, added value to the Army's total facilities management contracts, educated federal agencies and NPAs on NARA mandate, hosted GSA Annual POC meeting and launched an NPA capabilities database. Mr. Krotonsky said they are working to protect projects on the Procurement List and a NIH contract was awarded on the Federal Supply Schedule to produce 21 new DFTEs. SourceAmerica's Growth team is focused on initiatives such as growing jobs for veterans with disabilities. They're supporting the Army with pricing inquiries by conducting "should cost" analyses for Fort Polk and Fort Bliss.

In regards to expanding mission partnerships, SourceAmerica granted NGO accreditation status to the United Nations' Convention on the Rights of Persons with Disabilities conference of state parties; provided staffing and training for World Bank and Inter-American Development Bank Collaborated with The Arc of the U.S. to engage its national chapters for commercial needs; and worked to support two career conferences with Special Olympics.

Next, Mr. Krotonsky discussed SourceAmerica's outreach and advocacy. He said they held stakeholder meetings to address key program priorities such as: driving new growth/increase utilization; fostering collaboration and thought leadership; and protection against threats.

Mr. Krotonsky said he met with DoD leadership to see how IGSAAs could coexist with AbilityOne and overcoming AbilityOne employment barriers. He said they met with OFPP to discuss category management and support of the 1.5 percent goal.

SourceAmerica hosted a successful Grassroots Advocacy Conference, (there are now 160+ Congressional Champions) launched new advocacy smartphone app, and facilitated network engagement on multiple congressional Action Alerts. It was referenced that +7 to 14 cents is the estimated federal government savings for every dollar spent on AbilityOne contracts in the SourceAmerica network.

Other advocacy initiatives included joining the State of Utah to kick off Pathways to Careers expansion and SourceAmerica hosted another successful Design Challenge.

SourceAmerica deployed updated Commissary Helper technology. The commissary helper with assist with stock management and has already increased productivity and reduced costs to the customer. In addition, 47 AbilityOne jobs were saved. Job carving, researching which parts of jobs are best for disabled or blind employees, has been another avenue to creating jobs.

Mr. Cory Foster, PMO, stated that the ratings presented by Mr. Krotonsky are self-ratings because the Commission has not completed their semi-annual ratings. Mr. Kesteloot asked Mr. Krotonsky if hourly rates were included in benefits, which Mr. Krotonsky responded in the negative. Mr. Krotonsky said he used the 2017 ratings and made projections based on that data.

Ms. Sheehy asked if they take into account the decrease in USG benefits such as SNAP. Mr. McBride said no, SSI and SSDI because they are the major players. In response to an inquiry from Mr. Robinson, Mr. Krotonsky said employee FTEs are going down, but more direct labor hours are going up.

Mr. Kesteloot said we need to deal with WIOA and we need a plan to meet the 1.5 percent goal for DoD. He said a plan is needed to meet that goal with lines of business, such as knowledge-based jobs. He said a plan is needed for WIOA once the data come in. Mr. Robinson said he has heard that work is turned away if it takes less than a year to approve additions on the Procurement List.

Mr. Diaz said the CNAs have tried to shorten the process and an attempt was made in 2010. He said the NCSE and NAEPB are also working on that. Ms. Ballard asked Mr. Krotonsky for the IDIQ contract approach. Mr. Diaz said they have a draft scenario to NPAs for comment. Ms. Ballard said it will promote competition and shorten timeframe.

V. Global Connections to Employment, Inc.

Mr. Rich Gilmartin, President and CEO, Global Connections to Employment, Inc. (GCE), gave a final briefing on the Enterprise Information Technology Services. In May 2013, the pilot began giving IT support to the Department of Defense. The pilot covered TRICARE EBIDS and other system, roughly 50 million personnel records, 10,000 transactions per day.

Mr. Gilmartin said the purpose of the pilot was to answer the question: Will the Information Technology field offer substantial employment opportunities for people with significant disabilities? It is Mr. Gilmartin's opinion that it does.

The IT Training Pathways was initiated by GCE in August 2015, focused on four training tracks: Quality Assurance, Business Analyst, System Engineer (Software Developer), and Data Analyst (Business Intelligence and research). During the pilot, 55 people were trained, a few complained to Commission staff. They complained about the pace of the training and that the promotions were not the same as military. Mr. Gilmartin said adjustments were made to the curriculum to address the complaints. In six to seven months of training, national IT certifications such as CCBA, CTFL, and Java were obtained which are transferable to any employer.

Mr. Gilmartin said the GCE agency-wide ratio has never fallen below 75% and exceeded all three targets.

Next, Mr. Gilmartin reviewed the Key Performance Metrics which included the targets and actuals:

	Target	Actual 05/18
Workshare FTE	45%	47%
Workshare Value	51%	54%
Direct Labor Ratio	52.1%	53.34%

Mr. Gilmartin said at the beginning of the pilot three percent of the work was SBA, now it is 30 percent. Today large businesses have 20 percent, SBA 30 percent, and GCE has roughly 50 percent. He said they hired 135 people over five years and 88 are veterans (73 with significant disabilities). The wages range between \$50,000 - \$100,000.

Mr. Gilmartin said they utilized a Gallup tool for employee satisfaction surveys and the results found good employee engagement (3.8 and 3.75 at two locations).

Mr. Gilmartin focused on one of the employees...Helping People Throughout Life's Journey...Jeremy Shell. Mr. Shell had been working two jobs, 80-90 hours per week. He did not have an IT background before securing this position. GCE provided an interpreter for nine employees with hearing disabilities. Mr. Shell was cross-trained as a computer entry person and it took 1.5 years for him to star as an entry-level Business Analyst.

The IT field is absolutely suitable for the AbilityOne Program and 160 employees are doing dynamic work. Mr. Gilmartin hopes that the pilot will end and the Commission will allow them to go forward with more work.

Mr. Kesteloot asked if any NPAs partnered with GCE. Mr. Gilmartin said they did not, but five other NPAs are clearly suitable to do this type of work. Mr. Robinson asked how transportable is the knowledge learned from this five-year pilot to another NPA and how much time could be saved. Mr. Gilmartin answered that the support of the CNA is critical. He said the two-year training process was critical as prestaging and prelearning were also. Mr. Gilmartin doesn't think it is appropriate to lower the direct labor ratio for this type of contract.

VI. OIG Update

Mr. Thomas Lehrich, Office of Inspector General (OIG), reflected on his one-year anniversary as IG. He gave an update on the OIG's oversight activities.

First, Mr. Lehrich thanked Mr. Kesteloot for his leadership and contributions and service as Chairperson. He thanked Mr. Kesteloot for his legacy and his inspiring tenacity.

Mr. Lehrich covered the key areas that his office is focused on, reported on accomplishments and discussed goals and challenges. He said the OIG three main areas of focus are: enhancing the confidence in the program; improving the economies and efficiencies, and program growth.

Mr. Lehrich said policies are a vital guidance as they set the standards, provide consistency and rigor in oversight work. The OIG completed their audit handbook and manual; investigations manual; evaluation manual; and the overarching policy directives for each of their disciplines. In completing the manuals, they were reviewed by sister OIGs for comments and consistency with the OIG community's standards and practices.

Mr. Lehrich said the establishment of the OIG office was completed a year and a half ahead of schedule in terms of the business plan. The services provided by OIG include a hotline center, and they will publish a two-year audit plan, and two semi-annual reports to Congress this year using best practices.

In April 2018, CIGIE issued for the first time a report of the Top Management and Performance Challenges Facing Multiple Federal Agencies. Mr. Lehrich said erosion of statutory program authority is the top management challenge. He said the OIG report immediately generated Return on Investment, which is of great benefit to the AbilityOne Program: when CIGIE, the Council of the IGs on Integrity and Efficiency, issued its capstone Top Management Challenge Report reporting on challenges across the entire government, it referenced AbilityOne.

Next, Mr. Lehrich discussed his recent NPA visits for FY 2017 and 2018. He said OIG is not only focused on oversight, but also on innovation to grow the program. In February 2018, Mr. Lehrich visited North Bay Industries in Rohnert Park, California, a producer of AbilityOne flags. He was impressed with their operations.

Mr. Lehrich said the OIG's two-year effort to review key audit areas has begun. The OIG has developed a comprehensive plan for oversight of CNAs:

- Evaluation of the NPA assignment of projects and allocation of orders.
- Audit of the Fee to Qualified and Approved NPAs.
- Review the appeal (reconsideration) process for the selection decision on NPAs project assignment and allocation of orders.
- Evaluation on the CNAs recommendations of order allocations to designated NPAs.
- Review completed actions of the Cooperative Agreements by CNAs.

- Audit on the quality of products in support of meeting Government requirements.
- The market evolution for the expansion of products and services growth and innovation.

Mr. Lehrich thanked Mr. Kesteloot and the agency for their commitment to the success of the OIG and supporting their role.

VII. Election of Officers/Passing of the Gavel

Ms. Timi Kenealy, General Counsel reviewed the election process which typically takes place every two years. Elected Commission officers serve a 2-year term and may be re-elected to a consecutive 2-year term. She explained that Mr. Kesteloot was on an extended term.

Mr. Kesteloot appointed a Nominating Subcommittee lead by Ms. Virna Winters, U.S. Department of Commerce. Members of the nominating subcommittee included Ms. Jennifer Sheehy, U.S. Department of Labor/ODEP and Mr. William Sisk, U.S. General Services Administration. As lead, Ms. Winters reached out to all of the members to see if they were interested in being nominated or desired to nominate a fellow member.

Ms. Winters led the election by naming the candidates for Chairperson. Ms. Winters said she was nominated by Mr. Robinson, but declined. The other potential nominee, Thomas Robinson was named. For Vice Chairperson, only one nominee was named, Robert Kelly. Ms. Winters asked if there were any additional nominations from the floor. There were none.

Chairperson Kesteloot moved that the slated nominees be voted on. Admiral Yuen seconded the motion. The responses to the roll call were as follows:

Kesteloot – yes
 Kelly – yes
 Yuen – yes
 Sheehy – confirmed slate
 Robinson – yes
 Sisk – yes to both candidates
 Kesteloot – confirmed slate

Both nominees abstained from voting for themselves but confirmed the other nominations. Both nominees were unanimously confirmed.

Mr. Kesteloot asked the new Chairperson and Vice Chairperson to make comments. Mr. Kelly thanked everyone and said he was ready and willing to take on the role as Vice Chairperson. Mr. Robinson thanked everyone and said this has been a life-changing experience and that he is humbled to serve as the new Chairperson. He believes that he and Mr. Kelly will make a great team.

Mr. Robinson praised the integrity and hard work that marked Mr. Kesteloot's tenure as Chairperson. He said he would rely heavily on his guidance and he also added that he is a better person having known Mr. Kesteloot. He thanked Mr. Kesteloot for his leadership.

Mr. Kesteloot noted the qualifications and quality of leadership present in both Mr. Robinson and Mr. Kelly. He remarked on their impressive backgrounds and what they will bring to their positions as Chairperson and Vice Chairperson.

Mr. Kesteloot was compelled to thank the Commission staff, especially the Executive Director, Tina Ballard, and said it was great to have Kimberly Zeich, Deputy Executive Director back. Mr. Kesteloot thanked Brian Hoey, Strategic Advisor, for all of his assistance and Chief of Staff, Kelvin Wood. He also thanked the General Counsel, Timi Kenealy and the Inspector General, Thomas Lehrich.

Additionally, Mr. Kesteloot thanked his wife Barbara for all of her support during his tenure. Mr. Kesteloot passed the gavel to the newly elected Chairperson, Thomas Robinson.

VIII. Closing Remarks

Mr. Robinson first formal act as Chairperson was to adjourn the meeting at 11:23 a.m.

List of Attendees – July 2, 2018

Commission Members

Robert Kelly	Private Citizen (Vice Chairperson)
James Kesteloot	Private Citizen
Thomas Robinson	U.S. Department of Air Force (Chairperson)
Jennifer Sheehy	U.S. Department of Labor/ODEP
William Sisk	U.S. General Services Administration
Virna Winters	U.S. Department of Commerce
Jonathan Yuen	U.S. Department of Navy

Commission Staff

Tina Ballard
Gloria Dent
Cory Foster
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
Stephanie Lesko
Michael Mack
Vrinda Nair
Angela Phifer
Zafor Ullah
Wakita Wilson
Kelvin Wood
Janet Yandik
Kimberly Zeich

Office of Inspector General (OIG)

Thomas Lehrich
Stefania Pozzi Porter

National Industries for the Blind (NIB)

Steve Brice
Angela Hartley
Jon Katz
Kevin Lynch
Heather Lyon
Andy Mueck

SourceAmerica

Susie Bonvouloir

Cathy Cooke

Joe Diaz

Sally Henderson

John Kelly

Steve Soroka

Michael Stanton

Rose Stern

John Wyatt

Government Representatives

Matthew Beebe

Defense Logistics Agency (Potential Nominee)

David Berthiaume

U.S. Department of Labor (ODEP)

Stuart Hazlett

U.S. Department of the Army (Potential Nominee)

Susan Pollack

U.S. Department of Defense

William Sproule

U.S. Department of Air Force

Tim Stark

Defense Logistics Agency

Beatriz Torres

U.S. Department of Air Force

Others

Lourdes Kelly

Private Citizen

Barbara Kesteloot

Private Citizen

Laura Walling

Goodwill

FINAL MINUTES

U.S. ABILITYONE COMMISSION

NIB CONFERENCE

Hyatt Regency – Crystal City

Arlington, VA

Thursday, September 15, 2016

2:00 p.m. – 4:00 p.m.

I. Opening Remarks

Mr. James Kesteloot, U.S. AbilityOne Commission Chairperson, called the Commission Meeting to order at 2:03 p.m. and made some introductory remarks. He thanked Mr. Kevin Lynch, President and CEO, National Industries for the Blind, for inviting the Commission to hold its September meeting at the NIB Conference. He said he enjoyed the conference speakers and the opening ceremonies.

Mr. Kesteloot commented that he recently returned from a visit to two agencies – Envision and Alphapointe. He said President and CEOs Mr. Michael Monteferrante and Mr. Reinhard Mabry would expand on their visit later.

October 1, 2016 is the start of the new fiscal year and Mr. Kesteloot said he looks forward to an exciting and productive year with the implementation of the Cooperative Agreement. He said both NIB and SourceAmerica signed their Cooperative Agreements in June.

Mr. Kesteloot briefly mentioned minimum wage pay. He said it continues to be a national conversation and it definitely affects the blind and disability population.

Mr. Kesteloot said the vision of the future of the AbilityOne Program could have been devastated by proposed legislation, but that language has been reconsidered.

Mr. Kesteloot introduced Chicago Lighthouse Board Member, Mr. Michael Meehan.

II. Consideration of Minutes

Mr. Kesteloot asked for a motion to accept the July 14, 2016 minutes. Mr. Anil Lewis, Private Citizen member, made a motion that the minutes be accepted with the noted changes. His motion received a second from Ms. Lisa Wilusz, Vice Chairperson, and the minutes were unanimously accepted.

IV. Executive Director's Report

Ms. Tina Ballard, Executive Director reported on several topics including the transformation of the program, best practices, public trust and confidence, and increasing job opportunities for people who are blind or severely disabled. First, Ms. Ballard discussed the rise in legal protests. Since the Kingdomware case there has been an impact on disabled veterans. She said the Commission has also experienced some favorable court decisions.

Ms. Ballard held sessions with CEOs from NIB and SourceAmerica and asked the question "What do we have to do to keep the ship from sinking?" Ms. Kimberly Zeich, Deputy Executive Director, discussed the four Key Performance Parameters (KPI) indicators. The KPIs were added to the Cooperative Agreement and linked to the Statement of Work (SOW). Ms. Zeich explained the Quality Assurance Surveillance Plan (QASP) and the KPIs. She said employment growth is fundamental and discussed the plans submitted by the CNAs to measure upward mobility and allocation appeals.

In regards to oversight and integrity, the Commission has implemented annual reps and certs. Procurement List transactions will be more timely, accurate and complete. The NPAs have completed training satisfaction surveys.

Ms. Ballard attended NIB's Board meeting during the first day of the conference. She discussed NIB's performance for this year. She said their sales are up and they have experienced three percent net employment growth. NIB is ready for the changes made by the Cooperative Agreement and is strengthening their processes.

PLIMS is eight years old and both CNAs are working to integrate their IT systems. Ms. Ballard said documentation is paramount and need to be strengthened to produce robust administrative records. She said the annual reps and certs were established to make language more consistent. The AbilityOne staff is also working on project level reps and certs.

In terms of Government Affairs and Communications, the Commission staff has met with the boards of CNAs, NPAs, NDLA, ACCSES, NFB and the blind and disability community at large. Mr. Brian Hoey, Strategic Advisor has had numerous meetings with NIB, SourceAmerica, the Office of Management and Budget (OMB) and members of Congress.

Ms. Ballard said that she and Mr. Soroka have phone or in-person meetings at least once a month. She said Mr. Kesteloot has met with the Chairs of both CNA boards.

A few weeks ago, Chairperson Kesteloot, Ms. Ballard, and other members of the Commission staff visited two nonprofit agencies – Envision and Alphapointe. Ms. Ballard gave both President's an opportunity to expand on their recent visits.

Mr. Michael Monteferrante, President and CEO of Envision and a member of the NAEPB, spoke first. He said the Commission executives and staff met with members of Envision's Board of Directors and representatives of the Envision Employee Advisory Group. The advisory group is charged with giving personnel from all levels of the organization a voice. Mr. Monteferrante led the group on a tour of Envision's robust manufacturing operations, research institute and early child development center.

In addition, the group met with the Wing commander and spent a full hour at its Base Supply Center (BSC) retail establishment and its administrative offices. Mr. Monteferrante commented on the NIB/NAEPB sessions that were held in respect of the Cooperative Agreement. He is very impressed with the team effort and collaborative spirit of the agreement. Mr. Monteferrante thanked Ms. Ballard for the visit and said he was very honored that Envision was chosen. Ms. Ballard thanked Mr. Monteferrante for hosting the visit and tours.

Mr. Reinhard Mabry, President and CEO, Alphapointe, echoed Mr. Monteferrante's sentiments. He thanked the Commission staff for coming to see Alphapointe's operations. He said the staff spent a significant amount of time with a panel of employees and other members of the workforce.

Mr. Mabry said his Board and clients convey their appreciation for the visit. He said the visit demonstrates the Commission's level of commitment.

Mr. Mabry also commented on the Cooperative Agreement as a great solution. He said he appreciates the transparency and the opportunity for the NPAs to be heard. Mr. Mabry invited the Commission to visit agencies so that they can see the success stories for themselves. He thanked them for their demonstrated commitment to the program.

Mr. Lewis said the National Federation of the Blind (NFB) has a strong presence in Kansas City. Mr. Lewis talked about the historic perspective versus the evolving relationship between the NFB, NIB, and associated agencies. He applauded Mr. Monteferrante's efforts to work collaboratively with the NFB of Kansas. He said Envision has an impressive program including an early childhood education program and a low vision research clinic.

Mr. Lewis said he met Mr. Mabry during the early stages of the NFB's revitalization of an effort to repeal Section 14(c) of the Fair Labor Standards Act. He said that Alphapointe is not the industry program of the past, we need to implement strategies and pursue employment that creates greater opportunities for blind individuals. He expressed appreciation for Mr. Mabry's efforts to implement the use of access technology that allowed blind employees to perform the jobs previously reserved for those with low vision and that they should continue to highlight these efforts.

Mr. Monteferrante said the most advanced technology is using Microsoft software. He discussed Envision's collaboration with Microsoft to provide blind employees with more opportunities for advancement.

Mr. Mabry said Alphapointe has a similar path as Envision. He said a decade ago, they only had a handful of blind employees in white collar positions. There are a number of initiatives and adaptive technical solutions that have made more opportunities available. There are call center operators, supervisors, and Quality Control employees working on switchboards. As a result of those initiatives, today one-third of the blind workforce (240) employees are working in white collar positions.

Ms. Ballard said we cannot continue to do things the same way and expect to get different results. She said when you do things differently, you get different results. She said the number of AbilityOne employees has never exceeded 50,000.

Mr. Kelly remarked on Mr. Mabry's advocacy to increase the number of visits to NPAs. He said he agrees that it is a wonderful experience to go out and tour the NPAS and meet with the employees. He reminded everyone that we work for the people.

Mr. Kesteloot said we should consider having future meetings at one of the agencies. Mr. Lewis said we should consider holding a future Commission meeting at the NFB national convention, the largest gathering of blind people in the world.

V. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), welcomed everyone and said he was thrilled about the conference attendance. Mr. Lynch outlined the agenda for his presentation.

First, Mr. Lynch discussed Cooperative Agreement Management. He said NIB has set up a Corporate Project Management Office (PMO). The key PMO responsibilities include program delivery management, portfolio management and establishing standards, methodologies, and processes. Mr. Matt Wieseler is the Cooperative Agreement (CA) Administrator and reports directly to Mr. Lynch. All NIB departments will provide direct input to the PMO but Mr. Wieseler will have oversight of the overall CA as the central point of contact for NIB.

Next, Mr. Lynch discussed the organizational realignment which will support the CA and improve business development functions. NIB is adding additional NPA technical assistance and new compliance staff. All business operations have been consolidated under Mr. John Qua. Mr. Lynch said a majority of organizational functions remain the same which allows retention of current staff subject matter expertise while limiting disruptions.

NIB has recognized the need to upgrade its data collection and analysis capabilities. According to Mr. Lynch, the NIB has designated one million dollars in funding to assist NPAs in upgrading and connecting their reporting platforms with NIB's. Mr. Lynch said he hopes the upgrades will make the system more efficient.

In terms of the Cooperative Agreement Administration, NIB is utilizing the RACI responsibility assignment model (Responsible, Accountable, Consulted, Informed). This model assigns ownership for all 160+ identified deliverables and requirements. Mr. Lynch said they are also developing a master calendar for all NIB deliverables and requirements. To date Mr. Wieseler has submitted 18 reports and deliverables to the Commission under the Cooperative Agreement. NIB may need to add additional staff as implementation progresses and given the additional reporting requirements.

The immediate focus is on the fee ceiling proposal that is due later this month. According to Mr. Lynch, the NIB Board met yesterday and approved the FY 2017 budget/business plan. NIB is in the process of standing up a new compliance staff and continues to improve their data collection and analysis processes. Mr. Wieseler is also leading development of NIB's NPA flow-down agreement templates and continues to educate and train NIB staff on the CA.

Mr. Lynch invited two Employees of the Year from Bosma Enterprises to present to the Commission. Mr. Lynch said both employees exemplify the spirit of hard work, perseverance and opportunity with no limits.

First, Ms. Lise Pace, described how Bosma Enterprises changed her life. Ms. Pace is currently the Director of Marketing and a member of the Executive Leadership Team. Ms. Pace was diagnosed with retinitis pigmentosa while in her 20's and gave up a thriving management career in banking and finance. She gave her personal testimony of how AbilityOne has made a tremendous difference in her life. Ms. Pace said upward mobility is celebrated at Bosma Enterprises.

Next, Mr. Herbert Humphrey told his story. Mr. Humphrey, a broadcast journalist, served in the Army Reserves and Active Army for over a decade. A first Gulf War veteran, Mr. Humphrey began his career in the legal field. He began to experience vision loss in 2011 and became a call center agent in June 2014 with Mississippi Industries for the Blind. Mr. Humphrey was recently promoted to his current position as a Public Relations Specialist/Advocacy Coordinator.

Mr. Lynch said both Employees of the Year have overcome personal challenges and have provided leadership for the broader NIB/NAEPB community through their participation in the Advocates for Leadership Program.

Mr. Kesteloot welcomed NIB Board Chairperson, Ms. Jeanne Morin to the meeting.

SourceAmerica

SourceAmerica President and CEO, Mr. Steve Soroka began his remarks to the Commission by thanking Mr. Kevin Lynch and NIB for hosting a great conference. He also acknowledged the three-month anniversary of the signing of the Cooperative Agreement (CA) and the subsequent collaborative work between SourceAmerica and the Commission. He highlighted that under the CA, SourceAmerica has four objectives: employment growth; AbilityOne Program administration, oversight and integrity; NPA support with AbilityOne regulatory and federal business requirements; and training and strategic communications.

As an overview Mr. Soroka reiterated the scope of the four objectives: (1) the employment growth plan includes sustaining existing employment, hiring new employees and launching new lines of business, creating jobs with upward mobility, procuring NPA products and services, and addressing barriers to job growth; (2) AbilityOne Program administration, oversight and integrity requires CNA governance, board governance, general management and administration, establishing and maintaining internal controls, equitable allocation and recommendations and working with the prime contractor; (3) assisting NPAs with AbilityOne regulatory and federal business requirements includes representing NPAs to the Commission, Reps and Certs, PL-related operations, the Fair Market Price (FMP), project-level information and CNA due diligence; (4) training and strategic communications which includes advertising and market research, AbilityOne publications, trademarks and licensing agreement, reports, and audits.

Regarding the Cooperative Agreement approach, Mr. Soroka said SourceAmerica established a Project Management Office and PMBOK-like methodology for organizational compliance with the Cooperative Agreement. The designated staff roles to fulfill executive requirements include two executive sponsors, objective leads, quality managers, department liaisons, and business intelligence representatives. Assistant Vice President Cathy Cooke leads the PMO and reports

directly to him. Mr. Soroka then discussed timelines noting that SourceAmerica is on track to meet the end of the month deadline for the next deliverables which include the draft NPA flow through agreement and milestones, and the award fee simulation plan.

Addressing employment growth, Mr. Soroka said SourceAmerica's goal is to align metrics with the Cooperative Agreement objectives. In FY 2016, 112 DFTEs were added to the procurement list, and another 560 DFTEs were added off the base resulting in a total of more than 700 DFTEs total year to date. Currently, there are six procurement list addition packages at the Commission and SourceAmerica is working closely with the National Institutes of Health on a project with the potential to produce 300+ job opportunities. Referencing the procurement additions by lines of business trends from 2012 through 2016, Mr. Soroka said there was a decrease from 1154 to 112. Transitioning to the top federal customers for the third quarter of FY 2016, he named the U.S. Department of the Army as the top customer with 27 percent of SourceAmerica project value, followed by the U.S. Department of the Navy at 14 percent, SourceAmerica has added Grant Wagner to their staff to assist with AbilityOne sales.

Next, Mr. Soroka discussed the procurement additions by line of business trends from 2012 through 2016. There has been a decrease from 1154 to 112. Mr. Soroka named the top federal customers for the third quarter of FY 2016. The U.S. Department of the Army is at the top with 27 percent, followed by the U.S. Department of the Navy at 14 percent, and the Defense Logistics Agency at eight percent. Other military agencies comprised the remaining spots and the U.S. Department of Veterans Affairs and the U.S. Department of Treasury holding a small percentage just above two percent.

Speaking to progress on Objective 2 which includes AbilityOne Program administration, oversight and integrity, Mr. Soroka said SourceAmerica is conducting an enterprise-wide risk assessment and formalizing information governance for records management. Additionally, the CNA is developing an NPA Recommendation Process Version C, enhancing its business ethics program, and is in the process of updating their extranet to SharePoint 2016.

Regarding Objective 3, supporting and assisting NPAs, Mr. Soroka said SourceAmerica completed operations reorganization by federal customers, launched a project-specific reps and certs workgroup with NIB and the Commission, hosted webinars and training for reps and certs and continued to strengthen PLIMS support. Mr. Soroka proposed a cross-Program initiative to further improve PLIMS interoperability that could include a cloud-based approach to PLIMS resulting in greater accessibility and less duplication.

Mr. Soroka spoke to other NPA support efforts. He referenced the continued collaboration with the NCSE and reported that Ms. Carol Carr is the new president replacing Mr. Rick Sebastian. He told the Commission that SourceAmerica's Vice President of Strategy and Innovation, is initiating a volunteer rehabilitation engineering program. Mr. McBride is leveraging retired and volunteer rehabilitation engineers for this initiative. Additionally, SourceAmerica is working to expand the Pathways to Careers program and has 126 individuals participating, of whom 40 percent have received job offers.

Mr. Kesteloot asked if the numbers were up or down from last year. SourceAmerica's Vice President of Operations Mr. Joe Diaz said there have been additional jobs in one segment, but the number of participants is down from 2012. However, Mr. Soroka noted there had been a slight uptick in program sales due to higher wages and thanked both Mr. Harry Hallock, U.S. Department of the Army, and RADM Jonathan Yuen for their program advocacy.

Speaking to Objective 4, training and strategic communications, Mr. Soroka said SourceAmerica engaged NPAs and invited congressional members during the summer recess to promote the AbilityOne Program. Vice President of Marketing and Communications Nancyellen Gentile continues to work with the Commission's Senior Advisor Brian Hoey on addressing legislation and regulation. SourceAmerica continues its disability advocate outreach and hopes to resurrect the group that was coordinated by former TASH Executive Director Barbara Trader.

SourceAmerica continues to build a strong social media presence. Its Facebook account has more than 40,000 page likes and its Twitter account has more than 7,000 followers. Mr. Soroka said his communications team is intentionally engaging in a social media outreach strategy to find and tweet out content where SourceAmerica and its detractors have commonality. In response, detractors have been favorably engaging by liking and retweeting the content.

Reporting on FY 2016 third quarter results, Mr. Soroka said significantly disabled direct labor hours (QER) reached 30.8 million. Procurement additions showed 112 new jobs were created and QWE third quarter results were at 78 percent.

In concluding remarks, Mr. Soroka talked about the future and becoming the national disability employment leader as one of the CNAs designated to facilitate the AbilityOne Program. He said SourceAmerica will implement innovative and technological improvements that will impact future employment growth. He said the organization will continue to amplify the voice of people with disabilities through advocacy, create commercial job opportunities, promote commitment to the mission through a professional work environment and support a national network of NPAs employing people with disabilities.

Mr. Kesteloot introduced Commission staff to give presentations on Business Operations and Compliance.

Business Operations Update

Mr. Barry Lineback, Director of Business Operations, gave an update on Determination and Findings Authority (D&F). D&F are a special form of written approval granted by the Commission. Mr. Lineback said actions processed under the D&F are reviewed by Commission members on a weekly basis. If there is special interest in a particular project, a Commission member can request a full review by the Commission. The Commission members continue to approve decision documents above the D&F thresholds.

Mr. Kesteloot said this process allows projects to get on the Procurement List quicker. D&F is a widely accepted federal acquisition practice. The "determination" is a conclusion or decision supported by the "findings". Findings are defined as statements of fact or rationale essential to support the determination and must cover each requirement of the statute or regulation.

In 2012, the Commission approved implementation of Determination and Findings via Special Vote Letter #12-03. It was adopted from acquisition processes to gain internal efficiencies for both procurement list additions and deletions. The Commission staff developed Policy 51.207, Determination and Findings, effective on April 24, 2012. The Special Vote Letter and policy were broad enough to allow other individual and class D&F's.

Mr. Lineback discussed the implementation and approval thresholds for D&F. The Commission members approve additions with contract value at \$750,000 or greater. Both the Executive Director and Deputy Executive Director approve contracts between \$501,000 to \$750,000 and the Director of Business Operations approves those that are \$500,000 or less. The thresholds were based on studies of Procurement List additions. The staff applies the preapproved criteria established by the Commission criteria. There are separate criteria for additions and deletions.

In FY 2016, there were 73 total additions to the Procurement List and 51 of those were approved under D&F authority. There were 23 products added and 28 services added that were under the \$750,000 threshold. There were 110 deletions approved under the D&F process.

Mr. Lineback reviewed the major outcomes of D&F. He said D&F reduced two weeks in the overall processing cycle for 161 decision documents. It saved 64 percent of a work year as members reviewed 22 of 183 decision documents and saved 258 hours of Commission staff review time. Zero of the 161 decision documents approved under D&F authority were sent back or reworked.

Compliance Update

Ms. Amy Jensen, Director of Oversight and Compliance gave an overview from the Compliance team. She discussed the DSP (Definition, Suitability, and Process) Review Group's current processes and the steps that have been taken to strengthen and improve the process and procedures.

The DSP Review Group was developed as a working group tasked to identify ways to strengthen the AbilityOne Program and Procurement List decision process. It was proposed by then Vice Chairperson James Kesteloot and chartered by the Commission in June 2013. Participants include Commission members and staff, other Federal employees, CNA representatives, members of NAEPB and NCSE, and outside experts.

Ms. Jensen outlined the DSP's recommendations for Representations and Certifications (Reps and Certs). There are three types of reps and certs: annual, project specific, and certification. It is a standard practice in procurement drawn from Federal Acquisition Regulation (FAR). The annual and project specific reps and certs will increase credibility and tiered accountability and replaces AbilityOne-unique certifications, such as the Form 404. In addition, the Reps and Certs enables an expedited process for low risk transactions (Certificate of Conformance).

Ms. Jensen said the Project Reps and Certs are used for any projects with a contract value over \$500,000. The primary function of the Project Specific Reps and Certs is to ensure the Commission has current information on high risk, high dollar projects, and tiered accountability among the NPA and CNA. Project Specific Reps and Certs contribute to well documented Administrative Records for Commission decisions. Ms. Jensen said the CNAs will certify and recommend Commission action based on NPA Reps and Certs.

Ms. Jensen outlined the timeline to launch the Project Specific Reps and Certs. The entire project should launch no later than April 1. The NPAs that will participate in the pilot will be identified by December and they will receive formalized training.

Ms. Jensen thanked the staff from SourceAmerica and NIB who have worked closely on this project and assisted with the training webinars.

IX. Closing Remarks

Mr. Kesteloot made some brief closing remarks. He thanked Ms. Morin and NIB Board members for their attendance. He stated that the Commission members and members of the Board should plan some agency visits in the future. Mr. Kesteloot asked the Commission members to stay for a brief executive session. After no further comments, Mr. Kesteloot adjourned the meeting at 3:48 p.m.

List of Attendees – September 15, 2016

Commission Members

P. Edward Anthony	U.S. Department of Education (via teleconference)
Jan Frye	U.S. Department of Veterans Affairs
Robert Kelly	Private Citizen
James Kesteloot	Private Citizen
Anil Lewis	Private Citizen
J. Anthony Poleo	Defense Logistics Agency
Jennifer Sheehy	U.S. Department of Labor (ODEP) (via teleconference)
William Sisk	U.S. General Services Administration
Lisa Wilusz	U.S. Department of Agriculture
Virna Winters	U.S. Department of Commerce
RADM Jon Yuen	U.S. Department of the Navy (via teleconference)

Commission Staff

Tina Ballard
Patricia Briscoe
Gloria Dent
Brian Hoey
Amy Jensen
Timi Kenealy
John Konst
Stephanie Lesko
Barry Lineback
Angela Phifer
Michael Rogers
Kimberly Zeich

Office of Inspector General (OIG)

Marcos Contreras

NIB

Steve Brice
Angela Hartley
Kevin Lynch
John Qua
Matthew Wieseler

SourceAmerica

Clara Conti
Joe Diaz
Nancyellen Gentile
Elizabeth Goodman
John Kelly
Steve Soroka
Martin Williams

Government Representatives/Staffers

Ayana Bailey U.S. Department of Agriculture (via teleconference)
David Berthiaume U.S. Department of Labor (ODEP)

Others

(Add Sign-In sheet names)

FINAL MINUTES

U.S. ABILITYONE COMMISSION

1401 S. Clark Street, Suite 715
Arlington, VA

Thursday, October 16, 2018

9:00 – 10:30 a.m.

I. Opening Remarks

Mr. Thomas Robinson, as the newly-elected Chairperson, called his first Commission Meeting to order at 9:00 a.m. and made introductory remarks. He thanked everyone for attending the meeting to kick off the new fiscal year. He also welcomed Mr. Robert Kelly to his first official meeting in his new role as Vice Chairperson.

Mr. Robinson thanked Mr. Kesteloot for his superb leadership skills and management abilities during his tenure as Chairperson. He said Mr. Kesteloot would continue to make contributions to the Commission and he expressed his appreciation towards him.

Mr. Robinson thanked SourceAmerica's Board Chairperson, Norm Lorenz for joining the meeting.

The meeting marked the first time that three CNAs would meet together. Mr. Robinson extended a warm welcome to the newest CNA, the American Foundation for the Blind (AFB). Mr. Kirk Adams, CEO, had a previous commitment and was unable to attend. AFB was represented by Mr. Mark Richert, AFB's Director of Public Policy. Mr. Robinson said all three of the CNAs are vital and he is looking forward to expanding the AbilityOne Program.

Mr. Robinson said the Commission believes that a new CNA is a key part of the strategy for the future, just as NIB and SourceAmerica are key parts of the strategy for continued success. He said the Commission's statutory responsibility is to build the strongest program possible and that will happen when all three CNAs work together to achieve that goal.

Mr. Robinson mentioned that the CNAs and NPAs have been busy meeting the challenges of the aftermath of Hurricanes Florence and Michael. He said Tyndall Air Force Base in Florida sustained catastrophic damage, and indicated that there is a base supply center located there. Mr. Robinson asked that the CNAs give a brief update on the hurricane damage and recovery activities as part of their reports.

In terms of the National Defense Authorization Acts of 2017 and 2018, the first annual report of the 898 Panel was issued in July with dozens of recommendations. The Commission is working through various aspects of those recommendations, some need more research and study, while

some need implementation planning. The next Panel meeting is scheduled for November 8, 2018.

In terms of Section 846 of the 2018 NDAA, AbilityOne is conducting a pilot with Amazon. The Air Force is also conducting a pilot.

II. Consideration of Minutes

Mr. Robinson made a motion to approve the July 2018 minutes. His motion received a second from Mr. Robert Kelly, Vice Chairperson, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director, introduced Mr. Reinhard Mabry, President and CEO, Alphapointe and NAEPB President. Mr. Mabry introduced three employees who discussed the impact of the AbilityOne Program on their lives.

Mr. Daryl Wells, currently works as a Distribution Center Expediter at the Industries of the Blind, Greensboro, NC (IFB). Mr. Wells thanked Mr. Lynch and the Commission for giving him an opportunity to speak. Mr. Wells served in the U.S. Army as a sergeant and an Airborne Paratrooper.

In 1983, Mr. Wells sustained trauma to the eye during a boxing match when he was a part of the 82nd Airborne Division Boxing Team, that ended his military career and he was medically discharged. The injury subsequently developed into bilateral optic neuropathy.

In 2004, Mr. Wells was hired by IFB and held many different positions including: sewing machine operator, pen assembler, quality control, material handler, and inventory control specialist.

Mr. Wells said working at IFB has impacted his life in positive ways. He has gained self-confidence and feels that he is contributing to society with gainful employment. He says AbilityOne jobs are real and marketable in the real community. Mr. Wells said the same products he used while on active duty in the military, are the same products he now helps produce and distribute. He said the *Fabric of the American Dream is strong*.

Mr. Dan Kelly, Chief Operating Officer, has been working for IFB Solutions, Winston-Salem, NC for eleven years. Mr. Kelly is responsible for fulfilling promises to customers by delivering mission critical products and ensuring people who are blind or visually impaired have different kinds of employment opportunities.

Three generations of Mr. Kelly's family have been diagnosed with hereditary retinitis pigmentosa, a genetic eye disease. Mr. Kelly was blind by age 13. At age 16, Mr. Kelly sprung onto the international stage and became a member of the 1992 U.S. Paralympic team. Within eight years, Mr. Kelly won five gold, six silver, and six bronze Paralympic medals.

In 2001, Mr. Kelly worked for the National Industries for the Blind in the purchase card program.

Mr. Kelly says the AbilityOne Program works to break down barriers to employment and maintain jobs for more than 50,000 Americans.

Ms. Lise Pace, described how working in the AbilityOne Program has been transformative and how Bosma Enterprises changed her life. Ms. Pace is currently the Vice President of External Affairs and a member of the Executive Leadership Team. Ms. Pace was diagnosed with retinitis pigmentosa while in her twenties and gave up a thriving management career in banking and finance. She gave her personal testimony of how AbilityOne has made a tremendous difference in her life. Ms. Pace said upward mobility is celebrated at Bosma Enterprises. Their committed to their employees is commendable. Bosma offers Six Sigma and cross training as well as Toastmasters courses to their employees.

Bosma has made a significant impact on Ms. Pace's family life and has afforded her the opportunity to help her son with his life dream to join the Special Forces as a member of 82nd Airborne. Ms. Pace is currently working on her MBA. She ended her presentation by saying that although AbilityOne is facing many challenges, it continues to be a program that is changing people's lives.

Ms. Ballard thanked Mr. Mabry for making the suggestion to bring in employees to tell their own stories. Ms. Ballard thanked the speakers for coming and asked for a round of applause.

IV. OIG Update

Mr. Thomas Lehigh, Office of Inspector General (OIG), thanked Chairperson Tom Robinson and outgoing Chair Mr. Kesteloot for his support of the OIG. He said the agency is committed to the success of the OIG office. Mr. Lehigh said over the summer he provided the new Chairperson and Vice Chairperson with transition books that focused on the OIG's activities over the past two years.

Mr. Lehigh covered the key areas that his office is focused on, reported on accomplishments and discussed goals and challenges. He said the OIG three main areas of focus are: enhancing the confidence in the program; improving the economies and efficiencies, and program growth.

In discussing the Top Management Challenges Report, he emphasized that the CIGIE report cited AbilityOne OIG's work. In the April 2018, CIGIE Report, it was the first time a report of the Management and Performance Challenges facing multiple federal agencies was summarized. The OIG work was referenced concluding that AbilityOne does not have adequate staffing and resources to effectively execute its responsibilities and sustain its mission. They further reported that the agency faces challenges as it operates with a staff of less than 31 people responsible for administering a three billion dollar program with locations in all 50 states, Puerto Rico and Guam.

The Top Management Challenges Report that will be distributed in November 2018 and will focus on erosion of statutory program authority; impact on effectiveness due to lack of resources, enhancing of program-wide compliance, establishing enterprise-wide risk management and identify new challenges.

The OIG is responsible for the IG Semiannual Report to Congress (SAR). The theme of the SAR this period is sustainability and innovation. Mr. Lehrich said the OIG has oversight over a \$3.2 billion program with a \$1.2 million budget.

The financial statement audit objective is to determine whether the Commission's financial statements are free from material misstatement and examine the adequacy of internal controls over financial reporting and compliance. Assessing the accounting principles used, as well as the overall financial statement presentation by the Commission for year ending September 30, 2018. Audit results expected by November 15 in order to be included in the Commission's Performance and Accountability Report (PAR) for Fiscal Year 2018.

Mr. Lehrich said the OIG was asked to provide an analysis on single audits of CNAs. In general, any non-federal entity that in a year expends \$750,000 or more of federal grants or awards is subject to the Single Audit Act requirements. AbilityOne CNAs are performing single audit like audits pursuant to the Cooperative Agreements. The OIG seeks to review those audits as part of their audit oversight work planned for the CNAs.

As part of the oversight audit plan of the CNAs, AbilityOne OIG plans to incorporate the review the CNAs financial reporting requirements under the Cooperative Agreement. The audit of the Program Fee to qualified and approved NPAs, and review of completed actions of the Cooperative Agreements by CNAs.

The OIG Audits of CNAs involve developing a comprehensive plan for oversight of the CNAs. This plan includes: evaluation of the NPA assignment of projects and allocation of orders; audit of the fee to qualified and approved NPAs; review the appeal (reconsideration) process for the selection decision on NPAs project assignment and allocation of orders. Also evaluation on the CNAs recommendations of order allocations to designated NPAs; review completed actions of the Cooperative Agreements by CNAs; audit on the quality of products in support of meeting government requirements and the market revolution for the expansion of products and services and growth and innovation.

Mr. Lehrich developed a matrix of the CNAs Oversight Audit Plan that shows audit job, potential risk, audit objective, planned scope and methodology. The plan is separated into tiers: Tier I: Program Fee, Project Assignments and Allocation of orders and completed action from Cooperative Agreements; Tier II: Business Development and Innovation of Products and CNA Recommended Submission to the Commission; and Tier III: Quality Control Review Process and appeal process by NPAs of Projects and Orders.

From May to September 2018, Mr. Lehrich and staff made several visits to NPAs beginning with the National Federation for the Blind in Baltimore, Maryland where he saw the impact of Braille's impact on literacy. Two months later, they visited the Lighthouse for the Blind in St.

Louis, Missouri, and the final trip was made to Skookum in Seattle, Washington. Mr. Lehrich was very impressed with their operations as well as the leadership of Mr. Jeff Dolven. Mr. Lehrich is expected to travel to Alphapointe in Kansas City, Missouri in November and his travel dates for Pride Industries, Roseville, California have not been determined.

Mr. Kesteloot asked how many agencies Mr. Lehrich had visited and he responded by saying over a dozen. Some of the agencies he has visited include Work, Inc., North Bay Industries, Louisiana Lighthouse, ReadyOne, Envision and Outlook Nebraska.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), reported on NIB's recent initiatives and activities. Mr. Lynch said he would discuss the Cooperative Agreement Key Performance Indicators (KPIs): employment growth; program administration, oversight and integrity; NPA Support, assistance and development; and training and strategic communications.

First, Mr. Lynch discussed KPI #1: Employment Growth mission results. In Quarter 3, AbilityOne Sales have increased 9 percent, a total of \$570 million in commodities and services. Average wages increased from \$15.06 for services in FY 2017 to \$15.47 in FY 2018. For products, the increase was from \$10.54 to \$10.76. AbilityOne Direct Labor Employees Who Are Blind increased more than 4 percent from 4,255 in FY 2017, to 4,427 in FY 2018. The blind indirect labor hours rose 4.5 percent from 791,190 to 827,169. AbilityOne Direct Labor Hours increased more than 3 percent from 4.3 million to 4.45 million. Mr. Lynch said the upward mobility initiatives trend an average of 144 NPA employees who are blind promoted each year since FY 2008 (10 years). Indirect labor hours for NPA employees who are blind have increased more than six percent per year over the same period.

Mr. Lynch said there is a strategic alliance with William L. Hudson BVI Workforce Innovation Center (WIC) expanding vets training and employment. WIC is operated by Envision, Wichita, Kansas. Mr. Lynch said WIC expands training and professional development opportunities for people who are blind. Additionally, it leverages NIB's 10,000-square-foot event and training center in their new headquarters building and will include veterans-focused training and an entrepreneur program.

NIB held a Business Roundtable Summit with industry experts and business owners to mark National Disability Employment Awareness Month (NDEAM). The summit focused on closing the gap between employers and candidates who are blind. There was idea-sharing on training and development, discussions on accessible technology and partnerships were made between corporate, government and nonprofit organizations. Mr. Lynch expressed his appreciation to Ms. Ballard for her participation on the panel.

Mr. Lynch said KPI #2, Program Administration, Oversight, Integrity focuses on fairness and transparency. NIB updated its FY 2018 assignments summary. Through June 2018, there are

148 total assignments: 45 large NPAs, 66 medium, and 37 small in the products area. In services, there was a fairly good distribution, a total of 17: 3 large, 12 medium, and 2 small.

Mr. Lynch said KPI #3: NPA support, assistance, development, showed support to NPAs through various grants, loans and incentives. There were a total of 55 grants issued and \$880,946 disbursed. There were 3 loans issued and \$449,600 disbursed and the total incentives was more than one million.

Mr. Lynch said the NIB compliance staff achieved the goal of visiting all 60 producing NPAs in FY 2018. There was a dramatic decrease in Essentially the Same (ETS) sales through GSA. The advantage was it was down to only 2.8 percent. Mr. Lynch said NIB successfully added supporting contract language to Federal service contracts with a total contract value of two billion dollars.

In terms of new product launches, Quarter 4 included an innovative co-branding partnership with Dymo (label makers). NIB also expanded their eco green product lines by producing photo luminescent signs (e.g. EXIT signs) for buildings. These signs will be used as NIB's new building.

In terms of KPI #4, training and strategic communications, the Business Management 2018-2019 class is underway at George Mason University. NIB hosted the first of five training sessions September 18-21, 2018. The class includes 22 students who are blind, 18 NIB associated agency employees, 2 NIB employees, and 1 employee from the Canadian National Institute for the Blind. Three former BMT students returned as coaches.

NIB continues to focus on NPA training: Rehab engineering forum (56 attendees); ETS Best Practices (53 attendees) and CFO Forum (21 attendees). The AbilityOne Workforce Training includes CMS Support training, information assurance/cybersecurity certifications, and advocates for leadership and employment program.

The New York Times "Vocations" column featured a story on Mr. Jay Browder, an employee of Alphapointe. Mr. Browder works on U.S. government pens and prescription pill bottles for the VA. The story was printed online and in the Sunday business section.

Mr. Lynch reported that the Veterans Awareness Campaign highlighted veterans who are blind working at NIB-associated agencies. He said the social media campaign will highlight veterans who are blind employed at NIB NPAs on Facebook. For Veterans Day, there will be a press release highlighting support to veterans, VA and the military.

Key stakeholders will promote National Disability Employment Awareness Month (NDEAM). NIB will provide toolkits and digital graphics to NPAs, BSCs, and wholesalers and distributors. Additionally, in-store collateral will be delivered to BSCs and MRs.

In terms of KP#4: Training and Strategic Communications, Mr. Lynch announced that the NIB/NAEPB Annual Training Conference and Expo is scheduled for November 13-16 at the Crystal Gateway Marriott in Crystal City. The veterans-focused theme is "Commitment to

Serve.” Keynote speakers include LTG Darrell Williams, DLA Director and Ms. Emily Murphy, GSA Administrator.

Mr. Lynch said there will be an AbilityOne overview and a public Commission meeting as well as a Board Member Track focused on Transformational Leadership. Some of the training sessions include: SSDI Update, Pricing and Cost, and Essentially the Same as well as many other topics.

Mr. Lynch said Hurricane Michael damaged a facility in Bainbridge, GA and they hope to be back in business by Monday. Mr. David Horton, President and CEO, Industries for the Blind (IFB) said all the employees at the Tyndall Air Force Base BSC have been accounted for. He said right now, you are unable to get into the building, so they are in the process of relocating employees.

Mr. Robinson said KP#1 has a keen eye on growth. He said this is a good trend and wages are increasing. He appreciates the forward thinking approach NIB has in regards to training.

Mr. Matt Beebe, DLA, said in terms of job growth, asked if new products are the reason or is it increased demand on traditional products. Mr. Lynch said there has been some growth with new products but the primary growth is from more traditional lines of business. He said there is a loss of 12 to 14 percent in any given year, so new opportunities are needed just to maintain growth.

Mr. Beebe said the demand has been up at DLA, but that will level off. He said there is a need to look at new products. He said DLA went up to \$10 billion. Mr. Lynch said the custom medical kits are a large part of the trend. Mr. Kelly asked why there is a 12 to 14 percent loss and Mr. Lynch responded that it results from products reaching the end of their lifecycle.

Mr. Lynch thanked Mr. Robinson for hosting the Air Force AbilityOne Representative (ABOR) meeting at the NIB Conference.

SourceAmerica

SourceAmerica Acting President and CEO, Mr. Steve Krotonsky, discussed SourceAmerica’s cooperative agreement performance, their mission by the numbers, and quarterly business review. SourceAmerica’s key initiatives include: growing jobs, adding value, being responsive, engaging stakeholders, providing strategic support, protecting the program and shaping the future.

Mr. Krotonsky welcomed the new Chairperson of the SourceAmerica Board, Mr. Norm Lorentz, and Carol Carr, Achieve/NCSE to the meeting. The Board is focused on aligning the Cooperative Agreement goals with SourceAmerica’s mission and strategy

Mr. Krotonsky gave a report on the recent hurricanes. He said some on the NPAs suffered a lot of damage, but there are no reports of anyone missing or injuries. Some of the buildings are still

without power and 32 NPAs have been affected by the storms, an impact of \$80 million in AbilityOne projects.

Mr. Kesteloot asked if SourceAmerica provides any financial support to the hurricane victims while they rebuild. Mr. Joe Diaz said they have been following past practices. They reach out to NPAs and offer financial assistance. During Hurricane Katrina, SourceAmerica collaborated with FEMA to offer housing assistance.

Mr. Krotonsky gave an update on the third quarter numbers. He said the significantly disabled direct labor hours for FY 2018 increased to 31.2 million, a 1% change from FY 2017. The number of DFTEs added of growth from the base of existing business in FY 2018 Q3 was 511. Labor hours increased and placements decreased 8%. He said there was a drop in AbilityOne upward mobility, placements and promotions from 7,752 in FY 2017 to 6,669 in FY 2018.

Next, Mr. Krotonsky discussed FY 2018's Cooperative Agreement Performance. He said the Quarter 3 scorecard showed that SourceAmerica submitted 63 report deliverables, had zero rejected deliverables and received positive scores on their semiannual performance review.

The 2017 Annual Review deemed performance as exceptional at 92 percent. SourceAmerica collaborated to update PL Manuals for services and products PL adds and price changes and increased PLIMS transactions accuracy. SourceAmerica is committed to continuous improvement and FY 2019 will focus on federal customer satisfaction.

Mr. Krotonsky gave a breakdown of FY 2018's growing jobs:

102 AbilityOne DFTEs added to the PL

701 AbilityOne DFTEs of growth from the base

46 Public Sector DFTEs

82 Commercial DFTEs

He said added together, there are 900 DFTEs for people with disabilities in FY 2018.

In regards to strategies in FY 2018 to add value, SourceAmerica kept a sharp focus on customer relationships and protecting jobs. Additional Procurement Strategies included awarding position on DoD IDIQ contracts; Quality Assistance – supporting training demand for ISO:9001 certification; sharing work – created employment through workshare agreements with NIB and Pine Bluff Arsenal; addressing customer needs – benchmarked AbilityOne pricing against industry standard for the Army. NPA Capability and Capacity – Captured detailed data about NPA existing and desired LOBs

In regards to the 898 Panel recommendations, SourceAmerica assisted in prioritizing recommendations; collaborated on NCSE veterans session; hosted NPA town hall feedback webinar and explored ratio scenarios.

SourceAmerica responded to monitoring program impacts by entering intergovernmental services agreements and developing e-commerce portals.

In regards to the announcement regarding the third CNA, Mr. Krotonsky met with Mr. Adams and said he looks forward to working with AFB on future projects. He said SourceAmerica is modernizing their systems, and will consider sharing its IT infrastructure with AFB for a fee.

Mr. Krotonsky shared SourceAmerica's updated mission and vision statements. The updated statements should align more with their Cooperative Agreement. The mission and vision statements are as follows...Mission Statement: ***Providing employment choices for individuals with disabilities through our nonprofit agency community.*** Vision Statement: ***All people with a disability have a choice of careers and are recognized for their abilities in creating a vibrant work environment.***

In regards to engaging community groups, SourceAmerica is setting the direction by working with the panel, broadening its reach, engaging the public by continuing Design Challenge events, and elevating their profile by participating in the Special Olympics.

Mr. Krotonsky said SourceAmerica is providing strategic support and hosted a session at the August NCSE Forum. They also created a pilot team to test the "Space Finders" concept. The pilot will begin in mid FY 2019 with four NPAs.

Department of Education Workforce Innovation and Opportunity Act regulations and FAQs WIOA has had an impact on the cessation of AbilityOne placements and referrals in 20 states. Decreased funding for NPAs has resulted in an increased burden on NPAs with regard to medical documentation.

SourceAmerica is engaged in NPA network and NCSE grassroots advocacy. According to Mr. Krotonsky, thousands of messages sent to Capitol Hill and the Department of Education with the NCSE and NPA community have been secured. They have joined with CCD to advocate on. Joined with CCD to advocate on our shared position.

In regards to shaping the future, SourceAmerica has scheduled work sessions with the Office of Personnel Management's (OPM) Innovation Lab to raise awareness for their Future of Work Initiative. They hope to elevate their brand and create a new community of thought leaders.

Mr. Krotonsky gave an update on the should-cost analysis. He said Fort Polk/Fort Bliss results showed a significant difference. Fort Polk prices were three million lower than the industry standard. They are still questioning the accuracy of data from the customer. Fort Bliss pricing was higher. Mr. Krotonsky plans to meet with the customer on November 8th. Mr. Robinson told Mr. Krotonsky that he is pleased that SourceAmerica is looking into the situation further.

Mr. Beebe said labor is flat and the demand is higher. Mr. Stuart Hazlett, Senior Procurement Executive, Army procurement, said the Army is a big supporter of the services arena. Mr. Hazlett said there have been challenges in services and there is a need to remove \$1.8 billion from their services numbers. He offered to meet with Mr. Krotonsky before his trip to Fort Bliss. Ms. Ballard invited Mr. Hazlett to participate in the meeting scheduled in El Paso.

In regards to the 898 Panel, 42 recommendations, he said he is working on consensus with NIB and AFB to prioritize them. Mr. Krotonsky thanked Ms. Gloria Dent for participating in the NCSE Veterans committee and giving an excellent presentation.

SourceAmerica is continuing to monitor their intergovernmental service agreements and e-Commerce platforms and hopes to continue its collaboration with the Commission on the development of Amazon's e-commerce portal. There are some concerns about ETS on Amazon. Mr. Krotonsky said he was involved with the purchase card program when he worked at NIB. He is staying engaged on GSA e-platform rules and regulations.

In closing, Mr. Krotonsky showed a video to celebrate NDEAM.

Mr. Kesteloot said agencies should have reserves for crisis such as the recent hurricanes. He said one way to assist these agencies would be to reduce or suspend the fee temporarily until the agency is up and running again. He encouraged SourceAmerica to consider doing so.

Mr. Kelly commended Mr. Krotonsky for in-depth report. He said it was one of the most comprehensive CNA reports that he has ever heard. Mr. Robinson agreed that the CNA reports were very thorough.

Mr. Mark Richert, AFB, gave a report in Mr. Adams absence. He said AFB is thrilled to be a part of the AbilityOne Program. Mr. Richert said he enjoyed hearing all the stories told and he said he has his own. Mr. Richert worked at NIB before joining AFB.

Mr. Richert said AFB is currently in its first phase, which includes 18 months of research. AFB has submitted its first status report to the Commission.

VIII. Closing Remarks

Mr. Robinson made a few final comments. He thanked Mr. Mabry for his recommendation to have three speakers to present their AbilityOne experience and he asked for one final round of applause before adjourning the meeting at 11:10 a.m.

List of Attendees – October 16, 2018

Commission Members

Robert Kelly	Private Citizen (Vice Chairperson)
James Kesteloot	Private Citizen
Thomas Robinson	U.S. Department of Air Force (Chairperson)
Jennifer Sheehy	U.S. Department of Labor/ODEP
William Sisk	U.S. General Services Administration (via teleconference)
Virna Winters	U.S. Department of Commerce

Commission Staff

Tina Ballard
Gloria Dent
Cory Foster
Irene Glaeser
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
John Konst (via teleconference)
Stephanie Lesko
Michael Mack
Vrinda Nair
Angela Phifer
Janet Yandik
Kimberly Zeich

Office of Inspector General (OIG)

Zaza Bur
Marcos Contreras
Thomas Lehrich
Stefania Pozzi Porter

National Industries for the Blind (NIB)

Steve Brice
Amy Gray
Angela Hartley
Jon Katz
Kevin Lynch
Heather Lyon
Andy Mueck
Matt Wieseler

SourceAmerica

S. Capps
Theresa Chavez
Cathy Cooke
Joe Diaz
Shane Kanady
John Kelly
Steve Krotonsky
Norm Lorentz (Board Chairperson)
Dennis McBride
Ellis Rosenberg
Rose Stern
Kevin Webb

American Foundation for the Blind (AFB)

Mark Richert AFB

Government Representatives

Matthew Beebe	Defense Logistics Agency (Potential Nominee)
Sarah Chatman	U.S. Department of Defense
Joshua Gould	ICB
Stuart Hazlett	U.S. Department of the Army (Potential Nominee)
Susan Pollack	U.S. Department of Defense
William Sproule	U.S. Department of Air Force
Tim Stark	Defense Logistics Agency
Beatrice "Dina" Torres	U.S. Department of Air Force
Rose Warner	U.S. Department of Labor
Robert Warnick	U.S. Defense Logistics Agency
C. Watson	U.S. Department of Agriculture

Others

Carol Carr	Achieve
H. Haddock	L.A.B.
David Horton	IFB Solutions
Reinhard Mabry	Alphapointe
Dan Kelly	IFB Solutions
Lourdes Kelly	Private Citizen
Barbara Kesteloot	Private Citizen
Lou Moneymaker	Bosma Industries
Lise Pace	Bosma Industries
Laura Walling	Goodwill
Daryl Wells	Industries of the Blind

FINAL MINUTES

U.S. ABILITYONE COMMISSION

**NIB/NAEPB National Training Conference and Expo
Crystal Gateway Marriott
Arlington, VA**

Thursday, November 15, 2018

2:00 – 4:00 p.m.

I. Opening Remarks

Mr. Thomas Robinson, Chairperson, called the Commission Meeting to order at 2:00 p.m. and made introductory remarks.

II. Consideration of Minutes

Mr. Robinson made a motion to approve the October minutes. His motion received a second from Mr. James Kesteloot, Chairperson Emeritus, and the minutes were unanimously approved.

III. Executive Director's Report

Ms. Tina Ballard, Executive Director, gave an update on the 898 Panel. She stated the next meeting is scheduled for December 4, 2018. The meeting will be held at the Commission and the topics of discussion will include the 41 recommendations; subcommittee alignment, hosting CNA CEO's and the schedule for FY 2019.

Regarding the Cooperative Agreements, Ms. Ballard said renegotiations are underway for National Industries for the Blind (NIB) for the end of November and will be completed by December. Renegotiations for SourceAmerica are on track to be completed by June 2019.

Ms. Ballard said there are currently two pilot tests underway with Amazon, one with the Commission and one with the Air Force. Mr. Michael Jurkowski is the point of contact for the Commission.

IV. CNA Reports

National Industries for the Blind

Mr. Kevin Lynch, President and CEO, National Industries for the Blind (NIB), introduced Mr. William Carty, Board Vice Chairperson and Mr. Dick Ginman, Board member, to present on behalf of NIB.

NIB's board focus is on mission-centric governance, prioritizing investments and programs to grow employment and foster upward mobility, and the ability to position NIB for future success through thoughtful, deliberate strategic planning.

Mr. Ginman discussed NIB's Business Leaders Program, which provides multiple channels for training and experience for people who are blind. For example, he talked about the Leadership Fellows Program, which provides on-the-job experience and includes 18 participants since its inception. The Business Management program builds business acumen, while Effective Supervision develops team leadership skills. Another training program, "Leaders At All Levels," focuses on team building and employee morale, and has been delivered to thousands of employees who are blind. NIB's "Business Basics" program helps to grow entry-level business skills, while Emerging Professionals develops next-level job competencies. One hundred percent of Emerging Professionals participants have landed a promotion upon completion of the program. This involved a pilot group of four nonprofit agencies.

The latest Business Leaders Program expansion is focused on developing knowledge-based careers. There is Professional Mastery of Office Technology for Employment which is advanced assistive technology training, and Information Assurance training focused on cybersecurity.

Contract Management Support training has developed high-growth careers in contract administration through a partnership with the Defense Acquisition University (DAU). Next, Mr. Ginman discussed NPA staff training which includes new executive orientation and AbilityOne training, compliance and human resources (HR) summits, rehab engineering forums, and gathers together advocates for leadership and employment.

NIB Staff Training is focused on leading the way training for middle managers, Mr. Ginman said. There is also Lean Six Sigma training for NIB staff. Currently 69 percent of NIB staff is yellow belt certified. There are six green belts and one black belt.

Ms. Jennifer Sheehy, Department of Labor member, said she would like to hear more details about the Emerging Professionals pilot program. Mr. Lynch, speaking about the information assurance training, said there are three levels of certification contemplated. The first level involves the types of tasks associated with an IT help desk, while the training becomes progressively more technical and sophisticated.

In response to a question from Mr. Kelly about the 75 percent ratio, Mr. Lynch said they have had many conversations about it. He said NIB is looking into the impact of lowering the ratio to 50 percent. Mr. Ginman said the focus on a certain percentage may be an obstacle to creating highly technical or more integrated opportunities. Mr. Robinson said the pilot program gives NIB some flexibility. Mr. Kesteloot said the 898 Panel is looking over that issue over the course of next year.

Mr. Krotnsky said SourceAmerica is currently working with staff and running some pilots to see if a direct labor hour ratio around 50 to 51 percent achieves the employment and integration objectives identified. Mr. Kesteloot said the 898 Panel recommendation is to reduce the ratio.

Mr. Krotonsky said he is in agreement with Mr. Lynch that not counting indirect labor creates a disincentive regarding upward mobility.

Ms. Ballard said if the ratio is changed, it could impact how employees (jobs) are being counted.

Mr. Ginman announced that NIB moved into its new headquarters building last week. The building includes a 10,000 square-foot event and training center, with 17 dedicated workstations in the training center and breakout rooms and a technology lab.

NIB Board Chair, Jeanne Morin sent Mr. Robinson an informative letter about the new building and other issues, and Mr. Robinson said he appreciated the timely information.

Next, Mr. Ginman spoke about rehabilitation engineers. He said the program relaunched in 2010. There have been 177 sighted-to-blind job conversions since then, and they are working on improving operational efficiency.

Mr. Carty continued the discussion on NIB Strategic Planning. He said NIB's focus is creating employment and doing things differently to achieve goals like diversification. He said NIB is addressing its challenges and utilizing reserves to make investments.

Next, Mr. Carty stated NIB's desired outcomes. He said strategic planning will drive NIB's future and will: protect and expand employment for people who are blind; maximize NIB and associated nonprofit agency strengths, identify new, developing career opportunities outside of AbilityOne and ensure NIB aligns the workforce of people who are blind with the jobs that will be available.

SourceAmerica

SourceAmerica President and CEO, Mr. Steve Krotonsky, thanked Mr. Lynch for hosting a great conference and allowing the Commission to hold its meeting there. Mr. Krotonsky thanked Mr. Robinson for putting together the Air Force AbilityOne Representatives (ABOR) meeting. Mr. Robinson thanked Mr. William Sproule and Ms. Dina Torres from his staff for coordinating all the senior procurement executives. Mr. Kesteloot said it was an amazing session and he wished it was open to the entire conference. Mr. Robinson said this was a pilot and they try to gather together twice a year.

Mr. Krotonsky recognized the recent tragedy at the Tree of Life synagogue in the Pittsburgh, Pennsylvania area. He said two recipients of an affiliated nonprofit agency's (NPA) housing program were killed at the synagogue. Also, seven affiliated NPAs are located within 100 miles of the forest fires in California. SourceAmerica is still trying to obtain information from those NPAs to assess the safety of their workforce and any needs for assistance they may have.

Mr. Krotonsky gave a snapshot of FY 2018 year-end numbers as of November 30. He said SourceAmerica exceed the significantly disabled direct labor hours goal. For FY 2018, the hours increased to 41.9 million, a 1.8 percent change from FY 2017. The number of DFTes added of growth from the base of existing business in FY 2018 was 701.

The AbilityOne Growth from the Base (DFTes) was very successful, 701 compared to 550 at this time last year. Placements decreased eight percent. Mr. Krotonsky said the AbilityOne average hourly wage increased three percent to \$13.98, 41 cents higher than last year. The percent of ratio-compliant NPAs increased one percent to 98 percent.

Mr. Krotonsky gave updates on legal matters and disability policy. He said in the case of PDS Consultants, Inc. v. United States, SourceAmerica filed an amicus brief and is assessing its legal options. SourceAmerica is also assisting NPAs with VA contracts who may be in jeopardy of losing business.

Mr. Krotonsky gave a brief update on the Workforce Innovation and Opportunity Act (WIOA). He said the Senate HELP Committee is looking at the modernization of the JWOD Act. A recent Government Accountability Office (GAO) report identifies some concerns with its implementation. However, he said, an issue that will not go away is the payment of wages under Sec. 14(c) of the Fair Labor Standards Act. This is a topic that divides the disability community, he acknowledged. Mr. Krotonsky said they are responding to broader calls for change. Less than six percent of employees working at SourceAmerica-associated nonprofit agencies are paid below federal minimum wage under 14(c). Mr. Krotonsky said it is SourceAmerica's goal not to leave any person with a disability behind.

SourceAmerica's FY 2019 goals will focus on collaborating to implement the 898 Panel recommendations, and feedback from NPA sessions, he said. These are critical issues for the disability community. Other goals include growing customized employment internships and support services and supporting state-level employment and advocacy programs.

SourceAmerica is also in the process of establishing a veterans committee. A meeting is planned on November 16th with the Commission to discuss ways to pilot test lowering the DLH ratio, and amending the "severely disabled" definition.

In terms of addressing NPA feedback, Mr. Krotonsky said they are hearing concerns and looking into the perceived overlap between Quality Work Environment (QWE) self-assessments and/Commission on Accreditation of Rehabilitation Facilities (CARF) inspections. The NPAs are also recommending that SourceAmerica incorporate self-advocate stories into marketing strategy/branding strategy; combine the Employee Research System (ERS) and Quarterly Employment Report (QER) collection tools; and provide more NPA training and certification grants and loans. SourceAmerica is also providing outreach to NPAs in disaster areas or areas experiencing crises such as hurricanes, fires, etc.

Mr. Krotonsky also mentioned SourceAmerica's IT systems and their functionality. He said they are gathering quarterly data and are avoiding duplication of efforts.

Mr. Kesteloot commented that he is pleased that the Commission is focusing on critical issues such as ratio and 14(c).

Mr. Beebe asked that someone provide him a list of products that are at risk regarding the VA decision. Mr. Lynch said the PDS case is pertaining to eyewear, but other products have been impacted. The Commission staff will follow up with NIB and SourceAmerica regarding Mr. Beebe's request.

American Foundation for the Blind (AFB)

Mr. Kirk Adams, President and CEO, American Foundation for the Blind (AFB), expressed his appreciation to the Commission. He said that AFB has been an active part of the AbilityOne Program since its beginnings. He said AFB has a long history and has been instrumental in JWOD, and participated on the initial NIB Board. Ms. Hellen Keller, the world-famous author, activist, and advocate, helped to raise AFB's profile when she began working with the organization in 1924. Through her work with AFB, Ms. Keller radically changed perceptions of blindness and left a rich legacy upon which AFB continues to expand.

Mr. Robinson asked Mr. Adams about his view of the 75 percent DLH ratio. Mr. Adams said the ratio was established in 1938 to focus on blind employment. He said AFB is looking at broader metrics, and that the 75 percent DLH ratio may serve as a good target in some settings, but not in every case. He said flexibility will be important in the future.

AFB is working on a five-year Cooperative Agreement. AFB is focused to create Pathways to Employment in a competitive integrated employment (CIE) setting. Mr. Adams said AFB is in the process of meeting Board Governance requirements and researching blind unemployment.

AFB's Board of Trustees supports the preparation and review of a compendium of all disability laws, regulations and employment opportunities, he said.

Mr. Adams said stakeholders' data gathering, analysis showed that Fortune 100 companies have significant interest in recruiting from rehab NPAs. AFB focuses on knowledge-based careers.

In response to a question from Mr. Kesteloot, Mr. Adams said AFB does not receive any federal funding for its AbilityOne related activities.

VII. Research Scholars and Workforce Innovation Center

Mr. Robinson introduced Michael Monteferrante, President and Chief Executive Officer, Envision, Inc. Mr. Monteferrante said recently Ms. Zeich and staff toured Envision's Innovation Center earlier this year and recommended his briefing.

Mr. Monteferrante introduced Mr. Michael May, Executive Director, BVI Workforce Innovation Center, Envision, Inc. The purpose of the Envision Research Institute (ERI) is to carry out innovative and applied research in blindness and low vision, with the goal of removing functional barriers for these individuals. The Innovation Center has partnered with LCI (another AbilityOne-participating NPA) to develop technical jobs.

For more than 80 years, Envision, Inc. has strived to improve the quality of life and provide inspiration for the blind and visually impaired, including employment programs, outreach, rehabilitation and education. Significant gaps exist, however, in our scientific understanding of vision loss and rehabilitation.

Envision's National Eye Institute (NEI) has identified specific research needs in blindness and low vision:

- Understanding Visual Impairment
- Screening and Testing
- Assistive Device Technology
- Visual Prosthetics
- Rehabilitation and Improving Public Health

Additionally, the NEI global research framework includes goals relevant to Envision Research Institute: They seek to accelerate the translation of basic research into clinical studies, and to strengthen the pool of vision researchers (including clinical scientists and attracting young researchers from other disciplines to apply their knowledge to vision research).

Mr. May shared a short video on the program.

Next, Mr. Monteferrante introduced, Mr. Marco Tarantino, JD. Mr. Tarantino is a NIB Policy and Employment Fellow from the Envision Research Institute. He gave a presentation on Research and Workforce Innovation to the Commission. Mr. Tarantino's research focuses on employment policy for people who are blind or visually impaired. Mr. Tarantino holds a Juris Doctor from the University of Maryland Francis King Carey School of Law, and said he has a great passion for civil and disability rights. He has served as a student attorney with the Civil Rights of Persons with Disabilities Clinical/National Association of the Deaf.

Mr. Tarantino is conducting a study of the impact of the regulations implementing Section 503 of the Rehabilitation Act which created a seven percent aspirational goal for the employment of people with disabilities by Federal contractors. His primary research focus question is:

How have federal contractors adjusted their EEO/Affirmative Action policies to increase people who are blind and visually impaired (BVI) in their hiring and retention since the new Section 503 regulations were enacted?

Mr. Tarantino is looking at contractors' percentage of BVI employees, their outreach and recruitment efforts to BVI community, and whether Position Descriptions include barriers to the employment of people who are BVI.

Ms. Jennifer Sheehy, Department of Labor asked Mr. Tarantino to schedule a follow up meeting with her.

Mr. Robinson thanked Mr. Tarantino and said he hopes to visit Wichita in December.

VIII. Closing Remarks

Mr. Robinson made a few final comments. He said he is feeling optimistic about the program's focus on jobs. He said there is work to be done to avoid obstacles, but the Commission must keep its focus.

Mr. Robinson thanked Mr. Lynch for his hospitality and gave positive comments regarding the conference. Mr. Robinson adjourned the meeting at 3:35 p.m.

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Virna Winters	U.S. Department of Commerce

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Tina Ballard
Candido Bernabe II
Kasia Dourney
Irene Glaeser
Shelly Hammond
Brian Hoey
Amy Jensen
Timi Kenealy
Stephanie Lesko
Michael Mack
Angela Phifer
Stephanie Watson
Kelvin Wood
Celia Wren
Janet Yandik
Edward Yang
Kimberly Zeich

Office of Inspector General (OIG)

Zaza Bur
Marcos Contreras
Thomas Lehrich
Stefania Pozzi Porter

National Industries for the Blind (NIB)

Sumita Allen
Scott Avery
Kenny Boo
Steve Brice
Timothy Dudley
Luis Interiano

Kyna Kirkland
Dick Ginman
Michelle Grant
Amy Gray
Angela Hartley
Jon Katz
Jenn King
Lakesha Larry
Kevin Lynch
Heather Lyons
Tom Mikrut
Andy Mueck
Clark Rachfel
Nancy Ramos-Camponau
Laura Reimers
Harris Singer
Mary Jane Surrago
Cassandra
Tracye Varner
Rick Webster
Matt Wieseler

SourceAmerica

S. Capps
Theresa Chavez
Cathy Cooke
Joe Diaz
Teresa Downs
John Kelly
Shane Kanady
John Kelly
Steve Krotonsky
Norm Lorentz (Board Chairperson)
Dennis McBride
Ellis Rosenberg
Rose Stern
Kevin Welch
Kevin Webb
American Foundation for the Blind (AFB)
Kirk Adams

Government Representatives

Derek Aufderheide	U.S. Department of the Air Force (AFICA)
Matthew Beebe	Defense Logistics Agency (Potential Nominee)

Sarah Chatman
Tommy Gates
Joshua Gould
Stuart Hazlett
Tim Hurley
David Jones
Olalani Kamakan
Angela Lehman
Mike May
Susan Pollack
Paul Recklau
William Sproule
Tim Stark
Marco Tarantino
Beatrice "Dina" Torres
Rose Warner
Robert Warnick
Dana Weaver
Lindsay Wong
C. Watson

U.S. Department of Defense
U.S. Department of the Air Force (AFICA/KG)
ICB
U.S. Department of the Army (Potential Nominee)
Outlook Nebraska
U.S. Department of the Air Force (AFICA)
U.S. Department of the Air Force (AFICA)
GSA
Envision
U.S. Department of Defense
GSA
U.S. Department of Air Force
Defense Logistics Agency
Envision
U.S. Department of Air Force
U.S. Department of Labor
U.S. Defense Logistics Agency
GSA
GSA
U.S. Department of Agriculture

Others

Katy Beck
Stephanie Benedetti
Robert Buetner
Lauren Branch
Carol Carr
Kim E
Mark Eaton
Ken Fernald
Joshua Gould
Jeffrey Hawting
H. Haddock
David Horton
Reinhard Mabry
Dan Kelly
Barbara Kesteloot
Jim Kerlin
Carrie Laney
Paul Lima
Mamie Malloy
John Marron
Steve McLaughlin
John Mitchell
Belinda Moore

Seattle Lighthouse
Lighthouse Louisiana
Beyond Vision
New View
NCSE/Achieve
NFB
Envision
AVRE
Industry of the Blind
LCI
L.A.B.
IFB Solutions
Alphapointe
IFB Solutions
Private Citizen
Beyond Vision
NYSPSP
Beyond Vision
Malloy & Associates
AVRE Board
Bestwork
CABVI Cincinnati
Bestwork Ind.

Michael Monteferrante
Egon Muelder
Paul Reed
Buddy Sell
Scott Thornhill
Pam Tully
Renee Vidvine
Laura Walling
Karen Walls
David Wells
Brad Wiens

Envision
Beyond Vision
Lighthouse for the Blind
Envision
Alphapointe
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Midwest Enterprises for the Blind
STLB
Seattle Lighthouse

