



**POLICY FLASH
2006-58**

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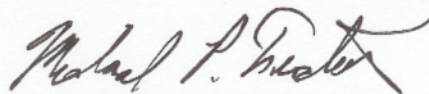
DATE: September 27, 2006
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management
SUBJECT: **The Allowability of the Central Nonprofit Agency (CNA) Fee Under Javits-Wagner-O'Day (JWOD) Program Procurement Contracts**

SUMMARY: The purpose of this Flash is to update and clarify policy regarding the Central Nonprofit Agency (CNA) Fee applied to Javits-Wagner-O'Day (JWOD) Program contracts. The JWOD Program creates employment opportunities for people who are blind or have other severe disabilities through the fulfillment of Federal requirements for a wide range of products and services. The Committee for Purchase From People Who Are Blind or Severely Disabled (Committee) is the Federal agency that administers the Program. The purpose of the CNA Fee is to provide funding for the operations of the Committee-designated CNAs – National Industries for the Blind and NISH (serving people with severe disabilities).

The CNA Fee that is a cost of each contract on the JWOD Program Procurement List is an allowable cost. This information is relevant in price negotiations requiring cost analysis, in which case the contractor will include the CNA Fee in its proposed overhead costs. The contractor is not required to disclose this cost specifically.

The attached September 22, 2006 memo to Chief Acquisition Officers and Senior Procurement Executives provides background information on this subject. This Flash can be viewed at <http://professionals.pr.doe.gov>.

If you have questions on the allowability of the cost in your price negotiations, please contact Michael Righi at (202) 287-1337 or Michael.Righi@hq.doe.gov.



Michael P. Fischetti, Director
Office of Procurement
and Assistance Policy

Attachment