

FINAL MINUTES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Thursday, January 11, 2007
9:00 am – 1:00 pm

Mr. Andrew Houghton, Committee Chairperson, called the meeting to order at 9:10 am. In accordance with Committee practice, he asked attendees to introduce themselves. Mr. Houghton stated that he was pleased to see the large attendance by Committee members; ten of eleven appointed members were present.

Mr. Houghton announced that Mr. Michael Sade, Department of Commerce representative, had accepted a new position at the General Services Administration, and was therefore no longer a Committee member. Ms. Kimberly Zeich, Committee staff, stated that she will contact the Department of Commerce on a possible replacement for Mr. Sade.

I. Awards Presentations

Mr. Houghton payed tribute to two former Committee members, Sandra Sieber, U.S. Army, and Steven Bernett, the Department of Defense. Ms. Sieber retired last October after nearly 30 years of service and Mr. Bernett recently accepted a position with the Federal Aviation Administration in Oklahoma. Mr. Houghton presented Ms. Sieber with a JWOD coin and presentation box, and Mr. Bernett with a plaque of appreciation and a JWOD coin in a commemorative box. The heads of NISH and the National Industries for the Blind (NIB) made presentations to Ms. Sieber and Mr. Bernett.

Finally, four members of the Committee staff were recognized for reaching milestones in their Federal government careers. Mr. Houghton presented John Heyer (30 years), Lou Bartalot (20 years) and Stephanie Hillmon (15 years) with certificates. Ms. Amy Jensen who was absent, also completed 15 years.

II. Consideration of Minutes – November 9, 2006

Mr. Houghton asked Ms. Angela Phifer, Committee Executive Assistant, if there were any changes to the November 9, 2006 minutes. She said that Mr. James Omvig, Committee Vice Chairperson, had one comment about a word change in the last paragraph of page five. He asked that the word employment be changed to unemployment. Mr. Omvig made a motion that the minutes be accepted with that change. His motion received a second from Mr. Steve Schwalb, Department of Justice, representative. The minutes were adopted by unanimous vote.

III. FY '06 Results

Mr. Lou Bartalot, Committee staff, presented the AbilityOne (formerly JWOD) Program Results for FY '06. First, Mr. Bartalot gave a synopsis of the annual report results. Mr. Bartalot compared the FY 2006 data to the FY 2007 targets.

Next, Mr. Bartalot presented the direct labor hours worked. The top ten agencies based on direct labor hours were all NISH agencies. Mr. Schwalb stated that in this time of limited Government resources that the Committee might consider setting minimum job levels for future procurement list additions. He asked if the time and resources expended for a PL addition are affected based on the number of jobs produced. Mr. Wilson, the Committee's Executive Director, stated that the same time and resources were expended whether it is .001 jobs or 1,000 jobs.

Mr. James House, Department of Agriculture, asked if this issue is something that should be discussed by the Business Development Subcommittee. Mr. Wilson responded that this issue could be assigned to any subcommittee because of its statutory, regulatory, policy, or new business elements. Mr. Mendoza said the issue could be discussed further in the Business Development subcommittee meeting.

Mr. Schwalb commented that the Department of Defense has limited operations and maintenance dollars because of the ongoing war effort in Iraq. Mr. Wilson indicated that the Federal Government (with the exception of DoD) is on a Continuing Resolution, for example, the Committee is working under its FY 2006 budget ceiling. Mr. Wilson went on to say that due to the projected Federal budget situation for FY 2007, some of AbilityOne's goals and ambitions for FY 2007 may require adjustment.

Mr. Chamberlin said that NISH nonprofit agencies have undergone significant cutbacks in services provided to the Government in FY 2006, and the first quarter numbers for FY 2007 are lagging from projected goals.

Next, Mr. Bartalot reviewed the AbilityOne wages for FY '06. Admiral Stone asked if Mr. Bartalot's measures really show how successful the program is. He stated that ultimately, the Committee needed a data collection system that would support a handful of key indicators, all tied to the Strategic Plan. He also stated that the Procurement List Information Management System (PLIMS), while helpful in standardizing the Procurement List process, did little to support the many goals and objectives of the Strategic Plan.

Mr. Wilson agreed with Admiral Stone. He said that the Committee is taking small steps in order to meet the data collection requirements for measuring the goals and objectives of the Strategic Plan. He went on to state that the information presented is what is available from the annual certifications as submitted by the nonprofit agencies, and that the Committee's current data collection processes are not tied to the needs of the

Strategic Plan. Mr. Wilson stated that collecting the right data would be a top priority. Mr. Ed Walters, Department of the Army, asked if the Committee had considered the balanced scorecard concept to make decisions. Mr. Gibbons said NIB calls their version the Dashboard.

Mr. Bartalot went on to present the top 10 wages paid, average hourly wage, and the type of work. Mr. Robert Kelly, Private Citizen, asked about the number of people who receive less than minimum wage. Mr. Chamberlin, NISH, said 16% of NISH's CRP employees are paid less than minimum wage. Mr. Gibbons, NIB, said that no AbilityOne employees that are blind are paid less than minimum wage.

Mr. Houghton asked the CNAs if they are looking into the impact that increasing the Federal minimum from \$5.15 to \$7.25 per hour will have on their agencies. Mr. Gibbons said NIB will be talking to their associated agencies about it, but that already many States have State minimum wages equal to or higher than \$7.25 per hour.

Following that discussion, Mr. Bartalot continued with promotions, placements, and sales. He named the top ten nonprofit agencies in each category.

The Committee members then went on to discuss the overall direct labor ratio and the AbilityOne direct labor ratio. Mr. Bartalot named the nonprofit agencies that are below 75 percent and will make presentations to the Committee in March. Mr. Bartalot said the agencies will be sent certified letters signed by Mr. Houghton. Mr. Gibbons stated that he will meet with Mr. Wilson and staff regarding aggressive growth and targets and the driving behaviors that are making projects more challenging, thus causing many NIB agencies to be out of ratio compliance.

Mr. Bartalot said agencies that have been placed on probation will also receive letters. He also mentioned that a nonprofit in Baltimore, MD had an extremely low ratio (0.54%). Alliance has been under ratio for only one year, but will be asked to report to the Committee also.

In regards to the Committee's requirement that all affiliated agencies meet an overall 75 percent direct labor hour ratio for their AbilityOne projects in FY 2007, Mr. Houghton said he has not received any comments opposing the AbilityOne Program ratio being raised to 75 percent. He said the Committee would pay close attention to this issue and evaluate it further.

IV. CNA/NPA Accountability Standards Rulemaking

Mr. Houghton told the Committee that Mr. Wilson had met with both Mr. Gibbons and Mr. Chamberlin regarding legislative improvements to the JWOD Act. He said that he was forming an Ad Hoc Subcommittee to work on drafting the specific legislative improvements needed to the Javits-Wagner-O'Day Act and the broad changes that would appear in the Committee's FY 2006 annual report. Mr. Houghton also extended an invitation to the CNAs to provide input to the Subcommittee. Mr. Houghton also stated

that he would seek input from the National Association for the Employment of People who are Blind (NAEPB) and the National Council of Work Centers (NCWC). He hopes that Ad Hoc Subcommittee meetings can occur around the existing Committee meeting schedule. Mr. Houghton will chair this Ad Hoc Subcommittee and the members include: Mr. Schwalb, Mr. Omvig, Mr. Walters and Mr. Day. He also extended an invitation to any other members who may have interest in participating.

Mr. Chamberlin said that NISH is in support of the Committee and is willing to work together. He said that NISH has reached out to the HELP Committee and the staffers. He commented that it is better if we have a unified stance. Mr. Gibbons also agreed that NIB will cooperate with the process. He then stated that NIB will not cooperate with the process if they believe the outcome will not be good for people who are blind.

Governance Subcommittee Chair, Steve Schwalb, gave an update on the CNA/NPA accountability standards rulemaking. Mr. Schwalb reviewed some of the history of this process which started in 2004. He told the members about the three public hearings that were held in the beginning of 2006 to give people the opportunity to speak and provide comments. A Special Vote Letter will be sent to members asking whether or not to forward the new rulemaking to the Office of Management and Budget (OMB) for approval with the hope of publishing in the Federal Register.

Mr. Houghton noted that the CNAs did not receive a copy of the new rulemaking, but there would be ample time for comments.

V. Subcommittee Reports

FINANCE

Admiral Dan Stone, Chair of the Finance & Information Management Subcommittee, Reported on the current activities of the subcommittee. First, Admiral Stone talked about the Information Management side, which is focused on the Procurement List Information Management System (PLIMS). He said there is going to be a BETA release in January and March. He went on to say during the months of May and June there will be a production release. Finally, PLIMS will be tested in mid-June and a target date for “real-time” release is July 15th.

The subcommittee also discussed interface between the CNAs, IT staff, and the contractors. All members have to talk to each other to see what it is going to take to get the system running effectively. Mr. Patrick Rowe, Deputy Executive Director, said the information architecture initiative has been under development for several years and a second BETA release has been added. He noted that Sheryl Kennerly, Committee staff, has been working diligently to get things moving so that the CNAs will have an opportunity to look at it. Admiral Stone said that this morning’s discussions indicate that the Committee needs to take a hard look at what kind of information will be collected and how it will be used.

Next, Admiral Stone discussed the financial side of things. During last month's meeting, there was good dialogue between the CNAs and staff concerning the mis-timing of budget guidance and its ties to the Strategic Plan. A list of 14 action items was developed and the subcommittee discussed how to prioritize the items and what sequence should be listed.

Mr. Houghton noted that the budget guidance was distributed to the CNAs and the Committee Members received copies.

Planning and Evaluation (P&E)

Mr. James Omgig, Chair of the Planning and Evaluation subcommittee, reported on three items the subcommittee has been focusing on.

First, Mr. Omgig reported on the staff guide that Lou Bartalot and Steve Maguire have been trying to finalize. This manual is intended to provide a clearer understanding on who the Committee believes is qualified to be employed as a blind or severely disabled person under the AbilityOne Program. For the benefit of the newer members, Mr. Omgig reviewed the history of the JWOD Act and how "severely disabled" is defined. He said that the subcommittee hopes to have the guide finished and published by March 1st.

Secondly, Mr. Omgig said that the first of three JWOD Forums was held on December 13, 2006. These forums were designed to develop better relations with the disability community and improve communications with all JWOD stakeholders. The second forum is scheduled for February 14th and will focus on Policy Directors of Advocacy Groups. The final forum will be held on February 22nd and its target will be key administrative officials. Mr. Robert Hartt, Committee staff, said that Dr. Roy Grizzard, Department of Labor, and Dr. Ed Anthony, Department of Education, will attend because they are heavily involved in disability programs on a Federal level. Mr. Hartt said all members are invited to attend. Additionally, he said the planning group will schedule a follow-up session to the first meeting. NISH is currently gathering the evaluations and any members that are interested are invited to attend. Mr. Omgig expressed that there is not uniform admiration among the disability community for the AbilityOne Program. He explained that the forums are very important so that some of the confusion and misconceptions can be cleared.

Finally, Mr. Omgig reported on the presentation given by Rick Sebastian of Human Technologies. He said there was a fascinating discussion regarding minimum wage and hopes that Mr. Sebastian can come back to talk to the full Committee.

BUSINESS DEVELOPMENT

Mr. Felipe Mendoza, Chair of the Business Development Subcommittee, said there is a meeting scheduled following the Committee meeting at 1:30 pm. He said the items for discussion include: the new program name and implementation, communications, and

BD's plans for 2007 and a look back at what was accomplished last year. Mr. Mendoza said he looks forward to giving a full report at the March meeting.

GOVERNANCE

Mr. Steve Schwalb, Chair of the Governance Subcommittee, said in addition to the Accountability Standards, the new topic of auditing was discussed. The subcommittee would like to explore new ways to do compliance that do not place the CNAs in a compromising position. The members are going to discuss several recommendations and try to come up with the best solution.

VI. CNA Reports

NISH

Mr. Robert Chamberlin, President/CEO, NISH reported on NISH's recent activities. Mr. Chamberlin said he attended the grand opening of Peckham's call center in Lansing, Michigan. The new business line will allow employees to handle the processing of passports. Ms. Kimberly Zeich, Committee staff, commented that a collaborative meeting held on Wednesday to discuss new lines of business was very positive. Currently, the call center handles IRS forms and the addition of passports is an exciting opportunity for them.

Secondly, Mr. Chamberlin spoke about the Center of Excellence and the impact it had on a CRP in Georgia in allowing the retention of 25 jobs. The business lines of the Center of Excellence include custodial, mailroom, and grounds maintenance.

Finally, Mr. Chamberlin talked about preparations for the 2007 NISH National Conference. The conference will be held April 29-May 1 at The Gaylord in Grapevine, Texas. The city of Grapevine is half-way between Ft. Worth and Dallas. According to the planning committee, the Committee meeting can be scheduled for the afternoon of Monday, April 30th.

NIB

Mr. James Gibbons, President & CEO, National Industries for the Blind (NIB), reported that the current environment at NIB is very challenging. He said the implementation of new projects with great potential has brought on financial and ratio challenges. Aggressive growth continues to be an issue and that it will be difficult to achieve in the current acquisition environment.

Some of the challenges include direct labor hours and the new minimum wage legislation. Mr. Gibbons said as more globalization, regulation, and competition occurs, NIB is going to need help from the Committee to be successful.

VII. Executive Director's Comments

Mr. Leon Wilson, Executive Director, reminded the members that there is a Special Vote Letter on the Alapointe Impasse and the deadline is Thursday, January 18th.

VIII. New Business

After determining there was no further business, Mr. Houghton adjourned the meeting at 12:30 pm and asked the members and some of the designated staff to go into Executive Session.

List of Attendees – January 11, 2007

Committee Members

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| Ed Anthony | Department of Education |
| Osborne Day | Private Citizen |
| Robert Henke | Department of Veterans Affairs |
| James House | Department of Agriculture |
| Andrew Houghton | Private Citizen |
| Robert Kelly | Private Citizen |
| Felipe Mendoza | General Services Administration |
| James Omgig | Private Citizen |
| Steve Schwalb | Department of Justice/UNICOR |
| Dan Stone | Department of the Navy |

Potential Nominees

| | |
|-------------------|--------------------------|
| J. Anthony Poleo | Defense Logistics Agency |
| Edward W. Walters | Department of the Army |

Committee Staff

Lou Bartalot
Robert Hartt
John Heyer
Stephanie Hillmon
Barry Lineback
Steve Maguire
Margaret Hansen
John Heyer
Connie Mehr
Angela Phifer
Patrick Rowe
Joan Smith
Leon Wilson
Kimberly Zeich

NISH

Robert Chamberlin
Vic Dennis
Dennis Fields
Elizabeth Goodman
Paul Plattner
Jean Robinson
Barbara Van Allen

List of Attendees – January 11, 2007 (Continued)

NIB

Dan Abatemarco
Steve Brice
James Gibbons
Angela Hartley
Arun Shimpi

Government Representatives/Staffers

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|------------------|---------------------------------|
| Steve Bernett | Federal Aviation Administration |
| Aaron Collmann | General Services Administration |
| Sandra Hallmark | Department of Veterans Affairs |
| Dorothy Hindman | Department of the Army |
| Suzanne Mitchell | Department of Education |
| Mark Opilla | Department of the Navy |

Others

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| Jessica Abrahams | McKenna, Long, and Aldridge |
| Alex Albert | McKenna, Long, and Aldridge |
| Barbara Barnard | ORC Industries |
| Ellen Brown | Goodwill Industries International |
| Adele Gasparro | ORC Industries |
| Sherrri Hungate | Goodwill Industries of South Florida, Inc. |
| Linda Merrill | Envision |
| Sharon Omvig | Private Citizen |
| Stephen Patterson | Susquehanna ABVI/NIB Board |
| James Proctor | Horizon Industries |
| Sandra Sieber | Private Citizen |
| Lauren White | Oklahoma League |