



TITLE: PRICING ABILITYONE PRODUCTS

1. PURPOSE.

This document prescribes the policy for developing the Recommended Fair Market Prices (FMP) for products on the AbilityOne® Program Procurement List (PL). This includes developing and submitting the Recommended-FMP for a proposed addition and adjustments to the Recommended-FMP for existing products on the PL.

2. APPLICABILITY.

These procedures apply to the U.S. AbilityOne Commission (Commission), Central Nonprofit Agencies (CNAs), and Nonprofit Agencies (NPA) participating in the AbilityOne Program. In addition, all Federal entities subject to the Javits-Wagner-O'Day (JWOD) Act and Federal contractors awarding directed subcontracts to meet the mandatory source requirement in their prime contracts must also comply.

3. AUTHORITY.

- (a) 41 U.S.C. §§ 8501-8506, Javits-Wagner-O'Day (JWOD) Act
- (b) 41 CFR Chapter 51, Committee For Purchase From People Who Are Blind Or Severely Disabled
- (c) 2 CFR 230, Cost Principles for Non-Profit Organizations (OMB Circular A-122)
- (d) FAR Subpart 8.707, Acquisition from Nonprofit Agencies Employing People Who Are Blind or Severely Disabled
- (e) FAR Subpart 15.4, Contract Pricing
- (f) FAR Subpart 52.208-9, Contractor Use of Mandatory Sources of Supply or Services
- (g) U.S. AbilityOne Commission Policy 51.600, Fair Market Pricing
- (h) U.S. AbilityOne Commission Policy 51.516, Cooperative Agreements with Industry
- (i) U.S. AbilityOne Commission Policies 51.517, Nonprofit Agency Establishment of Subcontracts for Current or Potential Procurement List Projects

4. DEFINITIONS AND ACRONYMS.

Definitions, abbreviations, and acronyms frequently used throughout the Commission's policy system are provided in Policy 51.102, Definitions. Terms unique to this policy are defined in Commission Policy 51-600, Fair Market Price.

5. RESPONSIBILITIES.

- (a) The Commission has sole authority and responsibility for determining the FMP for products on the PL. In addition to performing review and evaluation to determine the FMP, the Commission's responsibilities include:



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- i. Obtaining information it deems appropriate from the Contracting Activity, CNA(s), and NPAs.
 - ii. Establishing and disseminating the FMP for products on the PL.
 - iii. Request audits as appropriate to determine a FMP.
- (b) Contracting Activities shall participate in developing appropriate pricing information and negotiate a price with the NPA and or CNA. Their negotiated price is reviewed and has significant bearing on the FMP determination of the Commission.
- (c) CNAs shall recommend prices to the Commission, ensuring that all parties are knowledgeable of the AbilityOne Program requirements for developing and negotiating a price for AbilityOne products and services.
- (d) CNAs shall provide technical assistance to Contracting Activities and NPAs to facilitate clarity and understanding of requirements relied upon to develop the Recommended-FMP. CNAs shall certify their concurrence with the Recommended FMP.
- (e) NPAs actively participate in the development and negotiation of the Recommended-FMP with the assistance of the CNAs and in accordance with all AbilityOne pricing policies and procedures.
- i. NPAs maintain accounting records that capture, allocate, and report costs, sales, and direct labor hours of individuals employed on AbilityOne contracts. The NPA will present this information when requested by the Commission.

6. POLICY.

- (a) Prior to the Commission's FMP determination, the Contracting Activity, the NPA and the responsible CNA are expected to negotiate a Recommended-FMP.
- (b) The Commission has developed procedures (See the 51.600 series policy and procedures) intended to result in A Recommended-FMP that IS fair and reasonable in relationship to the marketplace and founded in negotiations between the Government contracting activity (or its designated prime contractor) and the designated NPA(s), with support from the responsible CNA.
- i. The process shall be evaluated using standard Federal proposal analysis techniques.
 - ii. While the negotiation and recommendation of the parties to the eventual contract are the foundation of pricing process, the Commission is not bound to approve the Recommended-FMP and may establish an FMP other than the negotiated price.
- (c) Recognition by the Government of the unique mission and workforce of the AbilityOne Program in no way diminishes the responsibility of the participating NPAs to present to the Government a fair and reasonable price that falls within the high and low price/cost of the relevant commercial market.
- i. Good faith negotiations should result in a reasonable Recommended-FMP and an agreed-upon method for adjustment of future prices.

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- (d) If the participating NPA, CNA, or Contracting Activity discovers a mistake, the Commission will consider a revised Recommended-FMP.
- (e) Good faith negotiations should result in a reasonable Recommended-FMP and an agreed-upon method for adjustment of future prices. If the Contracting Activity and the NPA cannot reach a Recommended- FMP for a product or service on the Procurement List, the Commission will use its policy and procedures for price-related impasses and disputes (see U.S. AbilityOne Commission Policy 51.640, Price and Price related Impasse and Dispute Resolution) to establish the FMP.
- (f) In circumstances where the participating NPA, CNA, or Contracting Activity discovers a mistake, the Commission will consider a revised Recommended-FMP.
 - i. All parties should work to reach concurrence on a corrected Recommended-FMP.
 - ii. If the mistake is discovered after the FMP determination is made by the Commission, then the NPA, CNA, and Contracting Activity shall negotiate new prices.
 - iii. If the parties cannot reach an agreement, U.S. AbilityOne Commission Policy 51.640, Price and Price-related Impasse and Dispute Resolution Process, shall be followed.
- (g) There can be only one FMP per specific AbilityOne product (normally identified by National Stock Number [NSN]), except where differences exist in packaging, delivery terms, or purchase volumes.
 - i. When multiple Contracting Activities and/or AbilityOne-participating NPAs establish contracts for the same AbilityOne product, the FMP price for FOB origin delivery shall be the same for each Contracting Activity.

7. EXCEPTION TO POLICY.

None

8. PROCEDURES.

- (a) Procedure 51.610-01, Negotiating and Developing Recommended Fair Market Price for AbilityOne Products
- (b) Procedure 51.610-02, Submitting AbilityOne Recommended-FMP for Products
- (c) Procedure 51.610-03, AbilityOne MAS Commercial Distribution Channel (to be developed)

9. SUPERSESION.

This policy supersedes Commission Pricing Memorandum No. 2, Fair Market Price Determination for AbilityOne Product Contracts, dated January 26, 2007, in its entirety.



APPROVED: _____

Date: _____

E. Ballard

Executive Director