



The National Association for the Employment of People who are Blind

**Teleconference of May 30, 2013
Price Strategy Committee Minutes**

NAEPB/NIB Committee Members Present:

John Mitchell, President NAEPB / Executive Director, Cincinnati Association for the Blind
Jim Kerlin, NAEPB VP of Operations, CEO, Beyond Vision
Shelly Taylor, President/CEO, Louisiana Association for the Blind
Steve Heinecke, Vice President E-Commerce and Product Catalogs
Chuck Froemke, Assistant Vice President Operations Support
Carla Williams, Administrative Assistant NAEPB

NAEPB/NIB Committee Members not Present:

Scottie Knott, Chief Operating Officer
Jack Glasscock, Director Federal Agency/ MAS Channel Management
John Thompson, President, The Lighthouse for the Blind, Inc.
David Wells, Executive Director, West Texas Lighthouse for the Blind
Bill Price, President, The Lighthouse for the Blind New Orleans, Inc.

Chuck Froemke – Cost Versus Price

Mr. Froemke reported that on May 21 a meeting was held with Kim Zeich, Barry Lineback and Patricia Briscoe (of the US AbilityOne Commission) where the new Price Analysis process and format for presenting it were reviewed. Mr. Froemke stated that the Commission members were very pleased with the presentation. Data from the Price Analysis and Consultant reports were presented.

Steve Heinecke – Market Basket Survey Presentation

Mr. Heinecke stated that the study started with discussion at the Fall Conference in Baltimore. The product list was taken from a previous pricing survey. The product list was updated to include strong and moderate selling products, and expanded to include JanSan products. In March 2013, publicly accessible websites were visited to pull pricing data (GSA Advantage, GSA E-library and resource sites). A spreadsheet was developed and validated; calculations were summarized resulting in the data contained in the Market Basket presentation. Mr. Heinecke was contacted by Matt Wieseler to present a PL product pricing survey to the Employee Satisfaction Customer Sub-Committee). On May 16th the Committee held a conference call, which included Heinecke. Bob Hartt (Commission Staff Representative) and Jan Frye (VA Representative) and a Department of Agriculture Rep sit on the Committee. Frye was not present. Heinecke provided a 45 minute overview that was appreciated and the presentation was agreed to be passed along to other Commission member and Commission staff. The Business Excellence (subcommittee of the Commission) met last week. Heinecke believes that the study is being reviewed by both of the subcommittees of the Commission. Bill Sisk (GSA Representative) was also a participant in the call. An attitudinal survey was developed by NISH to get a feel for purchasing. Price emerged as an important topic. Mr. Heinecke states that Commission staff has started to think about looking at distributors and mark-ups. Mr. Heinecke stated that some dealers take advantage of the mandatory purchase requirement of P&L Items and mark-them up to use the margin to further discount commercial products which they can use for acquisition purposes. Dealer mark-ups on mandatory source products should be monitored to ensure that the mandatory source is not being exploited.



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Mr. Heinecke recommended that the group focus on Paragraph 4 of the Authorized Distributor Criteria which states the following:

4. The AbilityOne Program does not dictate end customer pricing. However, we are very interested in ensuring that distributors are charging prices that are in the competitive range. To assist you in determining the competitive range, it is recommended distributors use www.gsaadvantage.gov to conduct a random price analysis. When applying for authorization, distributors will be required to provide estimated mark-ups above cost for AbilityOne products. A range is acceptable. The AbilityOne Program reserves the right to address pricing concerns with individual distributors.

Statistical Price Model – Jim Kerlin

Mr. Kerlin stated that there was not any update to the Impasse process for Privacy Filter Line in which the statistical price determination model was tested. Out of respect for the Committee and the Impasse process, the business case will be broadly published only after the Committee provides a final decision. The Committee intent is to have a judgment by the end of June. Ms. Zeich stated that there is a keen interest in the statistical process being used.

Action Items

- Mr. Kerlin would like to begin to pull the pieces of data together that has been collected to create a White Paper for the US AbilityOne Commission.
- An email will be sent so that the committee can solidify a date to meet at NIB Headquarters within the next two weeks to draft a White Paper to submit to the US AbilityOne Commission.
- **Next Teleconference: Thursday, July 11, 2013 at 2:30pm EST**