U.S. ABILITYONE COMMISSION

Procedure 51.401-02
Effective Date: 10/17/2012

TITLE: SURGE REQUIREMENTS PROCEDURE

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1. PURPOSE.

This document prescribes the procedures the U.S. AbilityOne Commission (Commission) and nonprofit agency(ies) (NPA) must follow when an NPA receives a request to provide quantities in excess of the contract requirements, particularly if meeting those requirements causes the NPA's overall direct labor ratio to drop below 75 percent.

2. APPLICABILITY.

The procedures described apply to all CNAs and Central Nonprofit Agencies (CNAs) participating in the AbilityOne® Program, National Industries for the Blind (NIB), NISH, and the Commission.

3. AUTHORITY.

(a) 41 CFR 51-4.2, Initial qualification

(b) 41 CFR 51-4.3, Maintaining qualification

(c) U.S. AbilityOne Commission Policy 51.401, Direct Labor Ratio Requirements

4. DEFINITIONS AND ACRONYMS.

Definitions, abbreviations, and acronyms frequently used throughout this policy system are provided in Policy 51.102, Definitions. Terms unique to a specific subject matter will be defined in the associated policy and/or procedure.

TERM/ACRONYM	DEFINITION
Product or service family	A group of closely related projects that utilize the same workforce.
Surge requirement	Notification of the necessity to meet rapidly changing military or civilian delivery requirements above those stated in the contract.
Surge protection	Exemption from meeting the AbilityOne Program's 75 percent direct labor requirement in order to meet a contractual surge requirement.

5. RESPONSIBILITIES.

(a) NPAs must track and maintain records of all AbilityOne direct labor hours and sales, based on any product or service and/or product or service family.

  i. The Commission recommends that NPA that are unable to track direct labor by individual project consider revising their labor tracking system to provide that capability.

  ii. NPAs must contact the CNA to discuss and/or request assistance when a surge requirement has been received from the Government and may cause the NPA's overall direct labor ratio to drop below 75 percent.

(b) CNAs will notify NIB and/or NISH, as appropriate, when they receive a request for surge protection from an NPA.

(c) NIB and NISH will review the request, and then monitor the performance of any NPA that has requested surge protection to determine if additional assistance or involvement by additional NPA is required.

6. POLICY REFERENCE.

These procedures shall be followed in accordance with U.S. AbilityOne Policy 51.401, Direct Labor Ratio Requirements.

7. PROCEDURES.

(a) Federal Government contracts may contain clauses requiring the contractor to meet surge requirements. The capability to handle surge requirements should be included in production planning. Federal contracts normally limit planned surge capability to 125 percent (or occasionally to 150 percent) of the normal requirement.

(b) When an NPA receives a request to produce on a contract beyond the usual surge requirements, and that surge could cause the NPA's overall direct labor ratio to drop below 75 percent, NPA must notify the Commission through the CNA within 30 days, and include the following information:

i. The project (products or services) being affected.

ii. The size and duration of the surge beyond contractual requirements.

iii. An estimate of the direct labor hours required to handle the surge, and how many of those hours will and will not be done by people who are blind or severely disabled.

iv. An estimate of the impact of the surge on the NPA's overall direct labor ratio.

v. An estimate of when the NPA's overall direct labor ratio will again be 75 percent or above.

(c) The CNAs will review the request and determine whether additional NPAs are needed to handle the surge requirement. NPAs not currently authorized may be considered to complete the requirement.

(d) The Commission may request additional information from the NPA, NIB, and/or NISH. Based on the information gathered, the Commission may do the following:

i. Require NIB and/or NISH to allocate part of the surge requirement to another NPA.

ii. Require the NPA to develop a phase-in plan to employ more people who are blind or significantly disabled during the duration of the surge. This is particularly likely for surges that will last for more than six months.

iii. Grant an exemption to meeting the 75 percent requirement for up to 18 months. Extensions will be considered, if necessary. Exemptions will not be granted after the surge has ended.

iv. Reject the request for surge protection.

(e) The exemption only applies to an NPA when the only reason for not meeting the ratio requirement is the surge. The Commission will examine the annual certification of all NPAs that are granted surge protection to ensure that their overall direct labor ratio is close to the projected ratio when the NPA notified the Commission.

8. EXCEPTION TO POLICY.

None

9. SUPERSESSION.

None

APPROVED: _____ **Date:** 10/17/2012

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