



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the House Committee on Oversight and Government Reform, the Chairman of the Senate Committee on Homeland Security and Governmental Affairs, and the Chairman of the U.S. AbilityOne Commission.

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the House Committee on Oversight and Government Reform, the Chairman of the Senate Committee on Homeland Security and Governmental Affairs, and the Chairman of the U.S. AbilityOne Commission.

Sincerely,

A handwritten signature in blue ink that reads "Ellen M. Lord".

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Patrick J. Leahy
Vice Chairman



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the House Committee on Oversight and Government Reform, the Chairman of the Senate Committee on Homeland Security and Governmental Affairs, and the Chairman of the U.S. AbilityOne Commission.

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

The Honorable Rodney P. Frelinghuysen
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the House Committee on Oversight and Government Reform, the Chairman of the Senate Committee on Homeland Security and Governmental Affairs, and the Chairman of the U.S. AbilityOne Commission.

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Nita Lowey
Ranking Member



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

The Honorable Trey Gowdy
Chairman
Committee on Oversight and
Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the Senate Committee on Homeland Security and Governmental Affairs, and the Chairman of the U.S. AbilityOne Commission.

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Elijah E. Cummings
Ranking Member



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

The Honorable Ron Johnson
Chairman
Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the House Committee on Oversight and Government Reform, and the Chairman of the U.S. AbilityOne Commission.

Sincerely,

Ellen M. Lord

Enclosure:
As stated

cc:
The Honorable Claire McCaskill
Ranking Member



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY,
AND LOGISTICS

SEP 12 2017

U.S. AbilityOne Commission
Chairperson
Mr. James M. Kesteloot
Jefferson Plaza 2, Suite 10800
1421 Jefferson Davis Highway
Arlington, VA 22202-3259

Dear Mr. Chairperson:

Section 898(h)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Public Law 114-328) requires the Secretary of Defense to provide a progress report on the recent activities of the Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity Panel's (hereinafter the "Panel"). Pursuant to section 898(h)(1), the Department is providing the enclosed progress report, and has consulted with the U.S. AbilityOne Commission. The Commission has no recommendations at this time.

On March 6, 2017, James A. MacStravic, Performing the Duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics appointed Mr. Shay Assad as the Panel Chairman, identified Panel membership requirements, and requested membership nominations. On June 1, 2017, Mr. Assad hosted the first Panel meeting at the Defense Acquisition University, with 37 participants, and signed the enclosed Panel Charter on July 26, 2017. Currently, the Panel is in the process of finalizing subcommittees to support the Panel missions, as well as identifying subcommittee leads and members. The Panel's next meeting is scheduled for September 13, 2017. To address the annual reporting requirements, the Department plans to submit the Panel's first annual Report to Congress by the end of March 2018.

An identical letter has been sent to the other congressional defense committees, the Chairman of the House Committee on Oversight and Government Reform, and the Chairman of the Senate Committee on Homeland Security and Governmental Affairs.

Sincerely,

A handwritten signature in blue ink, reading "Ellen M. Lord", is positioned above the typed name.

Ellen M. Lord

Enclosure:
As stated

CHARTER FOR THE “PANEL ON DEPARTMENT OF DEFENSE AND ABILITYONE CONTRACTING, OVERSIGHT, ACCOUNTABILITY, AND INTEGRITY”

Purpose: The charter formalizes the mission, duties, governance, roles, responsibilities, authorities, and milestones required of the “Panel on Department of Defense and AbilityOne Contracting, Oversight, Accountability, and Integrity” (hereafter referred to as the “Panel”).

Mission: The primary mission of the Panel is to review the effectiveness and internal controls of the AbilityOne Program related to Department of Defense (DoD) contracts, and report back to Congress on ways to eliminate waste, fraud, and abuse and ensure integrity and accountability for any violations of law or regulation; to recommend changes to business practices and IT systems to facilitate compliance with the Javits-Wagner-O’Day Act; and to establish Ability One Program training at the Defense Acquisition University pursuant to section 898 of the National Defense Authorization Act for Fiscal Year 2017.

Background: The Under Secretary of Defense (USD) for Acquisition, Technology, and Logistics (AT&L) established the Panel as directed by section 898 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328). The USD(AT&L) memorandum, dated March 6, 2017, appointed the Director, Defense Pricing as the Panel Chairman.

Reports to Congress: The Panel shall submit findings and recommendations in a series of annual reports to Congress. The initial report shall focus on the progress of the activities of the Panel and be submitted to the Secretary of Defense, the Chairman of the U.S. AbilityOne Commission, the congressional defense committees, the House Committee on Oversight and Government Reform, and to the Senate Committee on Homeland Security and Governmental Affairs.

Membership: Pursuant to section 898(a)(2), the Panel shall be comprised of the following -

- (1) A representative of the Under Secretary of Defense (Acquisition, Technology, and Logistics (USD(AT&L))), who will serve as the Panel Chairman;
- (2) A representative of the U.S. AbilityOne Commission;
- (3) A representative of the Service Acquisition Executive representative from each Military Department and Defense Agency – [There shall be a mandatory representative from the Defense Logistics Agency, and the Defense Contract Management Agency; other Defense Agency participation is discretionary];
- (4) A representative from the USD Comptroller;
- (5) A representative from the Office of the Inspector General of DoD and from the U.S. AbilityOne Commission;
- (6) A representative from the Army Audit Agency, Naval Audit Service, the Air Force Audit Agency, and the Defense Contract Audit Agency;
- (7) The President, Defense Acquisition University, or designated representative;
- (8) One or more subject matter experts (SMEs) on veterans employment from a veterans service organization;
- (9) A representative from the U.S. AbilityOne Commission Directorate of Veteran Employment whose duties include maximizing opportunities to employ significantly disabled veterans in accordance with the regulations of the U.S. AbilityOne Commission;

- (10) One or more representatives from the Department of Justice – who are SMEs on compliance with disability rights and laws that are applicable to contracts of the DoD and the U.S. AbilityOne Commission;
- (11) One or more representatives from the Department of Justice – who are SMEs on DoD contracts, Federal Prison Industries, and the requirements of the JWOD Act;
- (12) Such other representatives as may be determined by the USD(AT&L)

Roles and Responsibilities:

- **Chairman**
 - Chairs Panel meetings
 - Provides overarching strategic direction and guidance
 - Approves final agenda for Panel meetings and the minutes
 - After timely consensus from the Panel, the Chairman serves as the final approval authority for the Charter and any future revisions
 - In consultation with the Panel members, establishes subcommittees or working groups to support the Panel mission
 - Facilitates Panel discussion and voting on the recommendations from Panel members and subcommittees
 - May designate a chair for Panel meetings, as needed
 - Executes the mission of the Panel with assistance from the members and established subcommittees

- **Executive Secretary**
 - Chairs the Panel meetings as needed by the Chairman
 - Establishes the schedule for the Panel meetings
 - Reviews meeting agendas, presentations, and meeting minutes
 - Sends communications to the Panel members
 - Oversees the activities of the Subcommittees
 - Oversees the drafting and coordination of the reports to congress
 - Supports the Chairman in executing the mission of the Panel

- **Panel Members**
 - Attend and participate in Panel meetings
 - Lead a subcommittee at the request of the Chairman
 - Serve and/or appoint a staff member/subject matter expert to serve on subcommittees
 - Complete assigned action items
 - Advise the Chairman
 - Recommend agenda topics
 - Empower designated representative to speak on their behalf when unable to attend meetings
 - Contribute to the reports to congress
 - Vote on the recommendations from Panel members and subcommittees

- **Defense Acquisition University**
 - Help the Panel address and carry out the duties pursuant to section 898(l), and
 - Provide administrative and logistical support to the Panel to include scheduling the Panel meeting locations, in coordination with senior staff of the Defense Procurement and Acquisition Policy (DPAP) office and the Executive Secretary.

Subcommittees: In coordination with the Panel members, the Panel Chairman may approve the establishment of subcommittees or working groups deemed necessary to support the Panel mission. Such subcommittees shall report all of their recommendations and advice to the Panel for full deliberation and discussion. Subcommittees have no authority to make decisions, verbally or in writing, on behalf of the Panel.

Meetings: Pursuant to section 898(b), the Panel shall meet as determined necessary by the chairman of the Panel, but not less than every three months.

Duties: Pursuant to section 898(c), the Panel shall -

- (1) Review status/progress relating to implementation of recommendations in the DoDIG report 2016-097, "DoD Generally Provided Effective Oversight of AbilityOne Contracts," published June 17, 2016;
- (2) Recommend actions to eliminate waste, fraud, and abuse in contracts of the DoD and of AbilityOne;
- (3) Recommend actions the DoD and the AbilityOne Commission may take to ensure opportunities for the employment of significantly disabled veterans and for the blind and other individuals with severe disabilities;
- (4) Recommend changes to law, regulations, and policy necessary to eliminate vulnerabilities to waste, fraud, and abuse with respect to the performance of contracts of the DoD;
- (5) Recommend criteria for veterans with disabilities to be eligible for employment opportunities through programs of the U.S. AbilityOne Commission that considers the definition of disabilities used by the Secretary of Veterans Affairs and the U.S. AbilityOne Commission;
- (6) Recommend ways that the DoD and the U.S. AbilityOne Commission may explore opportunities for competition among qualified nonprofit agencies or central nonprofit agencies and ensure an equitable selection and allocation of work to qualified nonprofit agencies;
- (7) Recommend changes to business practices, information systems, and training necessary to ensure that (A) the AbilityOne Commission's compliance with regulations that establish and maintain the procurement list requirements established pursuant to 41 U.S.C. § 8503; and (B) the DoD complies with the statutory and regulatory requirements for use of such procurement list; and
- (8) any other duties that are determined necessary by the Secretary of Defense.

Consultation: Pursuant to section 898(d), the Panel may consult or contract with other executive agencies and with experts from qualified nonprofit agencies or central nonprofit agencies on -

- (1) Compliance with disability rights laws applicable to contracts of the DoD and the AbilityOne Program;
- (2) Employment of veterans with significant disabilities; and
- (3) Vocational rehabilitation.

Authority: Pursuant to section 898(e), the Panel may request documentation or other information from the AbilityOne Commission, the AbilityOne central nonprofit agencies, and qualified AbilityOne nonprofit agencies.

Inapplicability of FACA: Pursuant to section 898(k), the requirements of the Federal Advisory Committee Act (FACA) shall not apply to the Panel.

Travel: The employers/organizations of the respective Panel members are responsible for reimbursement of allowable travel expenses; Panel members and subcommittee members shall serve without compensation.

DAU Training and Developmental Assignments: Section 898(l) requires that -

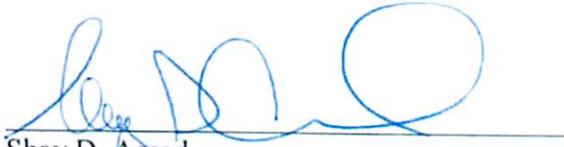
- (1) The Secretary of Defense establish a program at DAU on the mission of the U.S. AbilityOne Commission; on the employment of significantly disabled veterans through contracts from the procurement list maintained by the U.S. AbilityOne Commission; on reasonable accommodations and accessibility requirements for the blind and other individuals who have severe disabilities; on Executive orders and other subjects related to the blind and other individuals who have severe disabilities as determined by the Secretary of Defense; and procurement, acquisition, program management, and other training that is specific to procuring goods and services for the DoD pursuant to the JWOD Act;
- (2) Employees of the U.S. AbilityOne Commission may participate in the training program;
- (3) Members of the Defense Acquisition Workforce (DAW) (as defined in 10 U.S.C. § 101), who have participated in the training are authorized to be detailed to the U.S. AbilityOne Commission; and
- (4) The Defense Acquisition Workforce Development Fund (DAWDF) (established under 10 U.S.C. § 1705) is authorized for use when detailing DAW members to the U.S. AbilityOne Commission.

Milestones:

- June 23, 2017 – Progress report due to Congress;
- September 30, 2017 – First annual report due to Congress;
- September 30, 2018 – Second annual report due to Congress;
- September 30, 2019 – Third annual report due to Congress;
- September 30, 2020 – Fourth and final annual report due to Congress;
- Sunset: Panel terminates after submission of the last annual report.

Reviewed by: The Panel members reviewed the Charter during the month of June 2017.

Approved by:



Shay D. Assad
Director, Defense Pricing
Panel Chairman

7/26/2017
Date