

The COMMITTEE ON PURCHASES OF BLIND-MADE PRODUCTS

During the Administration of

President Lyndon B. Johnson

November 1963 - January 1969

Vol. I Administrative History

P R E F A C E

The activities of the Committee on Purchases of Blind-Made Products as recorded in the following pages summarize the accomplishments of an organization and a group of people dedicated to the assistance of handicapped persons. The efforts of this group have resulted in improvement in the scope and extent of assistance entirely in consonance with the efforts of the Administration to improve the lot of the handicapped.

A handwritten signature in dark ink, appearing to read "B. H. Bieri, Jr.", with a large, stylized flourish extending from the end of the signature.

Rear Admiral B. H. Bieri, Jr.
Chairman

Washington, D. C.
October 28, 1968

FOREWARD

This Administrative History was developed under the direction of the Chairmen of the Committee, Mr. T. M. Baldauf (July 20, 1966 to September 18, 1968) and Rear Admiral B. H. Bieri, Jr., (September 18, 1968 to present). The assembly of materials and writing of the History were accomplished by the Executive Secretary.

General

I. GENERAL

The mission of the Committee on Purchases of Blind-Made Products is to administer the "Wagner-O'Day Act," which provides for the purchase of blind-made products by the Federal Government on a priority basis under certain conditions. The purpose of this Act was to provide an outlet for blind-made products in the Federal Government, in order that the opportunities for the employment of blind workers might be expanded. Consequently, the principal objective of the Committee has been to increase the opportunity for employment of the blind.

At the inception of the program, the Committee delegated to the National Industries for the Blind, a nonprofit organization established to assist in the employment of the blind, the responsibility for administering those provisions of the Act and regulations promulgated by the Committee having to do with allocation of orders and the qualification of blind workers and workshops who participate under the Act. Consequently, National Industries for the Blind (NIB) has become the operating

arm of the Committee in certain respects. Thus, the accomplishments of NIB, particularly in the area of increase in the scope of the program, have in effect been the accomplishments of the Committee's objective. Therefore, in this report some of the material recorded, such as certain of the reports and statistics, while under the name of NIB, nevertheless reflect accurately the effects of the Committee direction and accomplishment of its mission.

Actions taken to broaden
interest in and support
of the program

II. ACTIONS TAKEN TO BROADEN INTEREST IN AND SUPPORT OF THE PROGRAM

Traditionally, the position of the Committee has been that major efforts should be made to increase the volume of Government business, thereby accomplishing the objective of increased employment. Traditionally, this was accomplished solely by the addition of new items to the program, achieved largely by encouraging individual workshops and NIB to suggest new items suitable for addition. During the period under study, it was recognized by the Committee that this approach alone was not adequate to increase employment to the extent desirable and possible. It was recognized that an increased knowledge and interest in the program in various quarters were necessary. Of special importance were the "customers," i. e., the buying Government agencies, and the "producers," i. e., the workshops.

One of the first actions was to publish "The Story of the Wagner-O'Day Act" by Robert LeFevre in May 1966 (Exhibit A). The distribution of this publication has served to inform many individuals, including those already aware of the program,

of its history and objectives and has served well to increase interest in the program. Its availability provides a ready means of informing individuals whose interest can enhance the program.

At its July 1967 meeting the Committee requested the Defense Supply Agency and the General Services Administration (the principal buyers and distributors in the Government of blind-made products) to make concerted efforts to inform both the personnel of their respective agencies and the personnel of the workshops of their respective missions and to establish closer and more frequent communications. In response to this request, the Defense Supply Agency directed its field activities to implement the Committee's request. The General Services Administration likewise requested its regional staff to visit the workshops and to invite personnel of the workshops to visit GSA activities. (Examples of action taken are included in Exhibit B.) The result has been greatly increased person-to-person communications between the workshops and their customers, with mutual benefit to the operations of both, and a considerably widened knowledge of and interest in the program among the Government agencies. There was evidence of improved operations due to:

(1) the more prompt and effective solution of operating problems, (2) a wider interest of all concerned in such matters as developing new items to be included in the program, and (3) improved administrative procedures.

It had become evident that many of the workshops were handicapped in their attempts to increase production of existing items, or to undertake the manufacture of new items because of inadequate resources in terms of facilities and funds. As urgent requests on the part of the heads of GSA and DSA to the blind workshops increased, their support to these two agencies could not be met by the workshops in their present situation.

It had also become apparent that the directors, sponsors, and other individuals in the top management level of the workshops were not fully aware of the potential increased Government business holds for increasing the number of blind who could be employed in their workshops. Neither were they aware of the scope of changes which might be necessary nor of the size of resources required. Consequently, in May 1968, the Committee sponsored a meeting, the theme of which was "Workshops in the 70's." Two members of the Boards of Directors of each of the workshops associated with the Government program were invited to this meeting which was held in Washington, D.C. Most of

those invited attended, and all 78 workshops were represented.

The program of presentations and round table discussions was designed to acquaint the participants with the wide variety of problems with which the operators of the workshops were faced, and to suggest avenues to the solution of these problems. Further, the Commissioner, Federal Supply Service, General Services Administration, and the Director, Defense Supply Agency, together with the Chairman of the Committee, pointed out to the attendees the vast potential for increased business which exists in the huge Government demand for many items. They also made specific suggestions as to ways in which the management and operation of workshops should be improved in order to take advantage of this potential business. This exposition of the size of a potential program underlined to the attendees the imminent need for greater financial and management support to the workshops. Reports received since this meeting indicate that it has had a profound effect upon the boards of directors and other management groups of the workshops, indicating that strong efforts will be made to enhance the program at workshop level.

Policy & Procedural
Changes

III. POLICY AND PROCEDURAL CHANGES

The Wagner-O'Day Act makes it "... the duty of the Committee to determine the fair market price" at which items are sold to the Government. From time to time there had been occasions when the price established by the Committee for an item had come under question by some purchasing agency of the Government. In 1964, it became apparent that some organized means of handling such questions as well as a clear understanding of "fair market price," were necessary to guide the Committee in fixing prices and in prompt and equitable disposition of any question as to price. The Committee therefore appointed an ad hoc group to study the situation and make appropriate recommendations. (See Exhibit C)

In the meeting of July 25, 1967, the Committee also adopted a procedure to handle questions of price in an organized manner, now contained in 41 CFR 51-1.7. The definition of "fair market price" seems to have reduced the questions concerning price, as subsequently there has been only one raised. The handling of this question demonstrated

that the new procedure was effective in achieving prompt and equitable disposition of the matter.

In early 1968, ball point pens were proposed and accepted by the Committee as items to be included in the program. The heavy investment in equipment required for this project, plus a large investment in inventory and finished goods, required the application of Government procedures for advance payments. These procedures became involved and difficult when applied to four workshops which would be manufacturing the product. It became evident that one organization representing all four was necessary to permit a reasonable solution to the problem. Consequently, the Committee approved a proposal that NIB be included in the regulations as "an agency for the blind," thereby permitting NIB to act as an agent for the workshops in all matters of ordering, advance financing, payments, etc. This change has simplified an otherwise extremely awkward and expensive administrative situation and could well lead to facilitating other similar transactions which will become more numerous as the program expands.

Since the inception of the program, NIB has been partly supported by contributions from the workshops which have been involved in the program. Traditionally, a considerable part of this contribution has been apportioned among the workshops on the basis of the volume of sales of the respective shops to the Government. The Committee has been aware of this method of financing, and had never raised any objection thereto. In early 1968, one workshop questioned the Committee about the advisability of this procedure. The point having been made an issue, the Committee Counsel held the opinion that the Committee has the authority and responsibility to formally approve the contributions and the rate as established by NIB. Consequently, at its meeting in September 1968, the Committee considered a report of the Executive Secretary (Exhibit F) on this subject and concluded that, of the several alternatives available, the most desirable would be to require NIB to formally present proposed changes in contribution rates to the Council of Workshops for the Blind, giving that body an opportunity to express its position on the rates. The Committee would then expect, in normal circumstances, to be guided by the majority of the Council, reserving itself, however, as a last court of appeal for any workshop which might wish to object to the majority action of the Council.

Program Growth

IV. PROGRAM GROWTH

During the period in question, program growth was evidenced in terms of an increased number of workshops participating in the program, increases in the number of employees, in the total wages paid to employees, and in the average wages of employees. The number of items supplied the Government has increased and the dollar sales also increased.

The total wages earned by blind workers and the average hourly wage are shown in the NIB Annual Report for 1967, page 3 (Exhibit D). The other items mentioned above are shown in Exhibit E.

The Committee has always encouraged NIB to improve its services to the workshops in any manner which the Committee felt would attain the objective of greater employment for the blind. In October 1966, NIB acquired a commercial organization known as Modglin-Maid, Inc. The purpose of the acquisition was to increase NIB capability in the area of research and development for new items and new processes, and to acquire a manufacturing facility already furnishing many parts and

components to the workshops. It was proposed that the manufacturing facilities be converted as rapidly and extensively as possible to a qualified workshop under the Government program in order to combine the other benefits of this acquisition with the objective of employing more blind workers. The Committee encouraged and approved the acquisition. An example of the benefit to be derived from this acquisition was the demonstrated capability of NIB to effectively undertake the production of ball point pens, which was supported by the laboratory resources of Modglin-Maid.