

Department of Defense management of inventories of in-transit secondary items:

“(1) The vulnerability of in-transit secondary items to loss through fraud, waste, and abuse.

“(2) Loss of oversight of in-transit secondary items, including any loss of oversight when items are being transported by commercial carriers.

“(3) Loss of accountability for in-transit secondary items due to either a delay of delivery of the items or a lack of notification of a delivery of the items.

“(d) CONTENT OF PLAN.—The plan shall include for subsection (b) and for each of the problems described in subsection (c) the following information:

“(1) The actions to be taken by the Department, including specific actions to address underlying weaknesses in the controls over items being shipped.

“(2) Statements of objectives.

“(3) Performance measures and schedules.

“(4) An identification of any resources necessary for implementing the required actions, together with an estimate of the annual costs.

“(5) The key management elements for monitoring, and for measuring the progress achieved in, the implementation of the plan, including—

“(A) the assignment of oversight responsibility for each action identified pursuant to paragraph (1);

“(B) a description of the resources required for oversight; and

“(C) an estimate of the annual cost of oversight.

“(e) GAO REVIEWS.—(1) Not later than 60 days after the date on which the Secretary of Defense submits the initial plan to Congress, the Comptroller General shall review the plan and submit to Congress any comments that the Comptroller General considers appropriate regarding the plan.

“(2) The Comptroller General shall monitor any implementation of the plan and, not later than 1 year after the date referred to in paragraph (1), submit to Congress an assessment of the extent to which the plan has been implemented.

“(f) SUBMISSIONS TO CONGRESS.—The Secretary shall submit to Congress any revisions made to the plan that are required by any law enacted after October 17, 1998. The revisions so made shall be submitted not later than 180 days after the date of the enactment of the law requiring the revisions.”

INVENTORY MANAGEMENT

Pub. L. 105-85, div. A, title III, §395, Nov. 18, 1997, 111 Stat. 1718, provided that:

“(a) DEVELOPMENT AND SUBMISSION OF SCHEDULE.—Not later than 180 days after the date of the enactment of this Act [Nov. 18, 1997], the Director of the Defense Logistics Agency shall develop and submit to Congress a schedule for implementing within the agency, for the supplies and equipment described in subsection (b), inventory practices identified by the Director as being the best commercial inventory practices for the acquisition and distribution of such supplies and equipment consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than three years after the date of the enactment of this Act.

“(b) COVERED SUPPLIES AND EQUIPMENT.—Subsection (a) shall apply to the following types of supplies and equipment for the Department of Defense:

“(1) Medical and pharmaceutical.

“(2) Subsistence.

“(3) Clothing and textiles.

“(4) Commercially available electronics.

“(5) Construction.

“(6) Industrial.

“(7) Automotive.

“(8) Fuel.

“(9) Facilities maintenance.

“(c) DEFINITION.—For purposes of this section, the term ‘best commercial inventory practice’ includes a so-called prime vendor arrangement and any other practice that the Director determines will enable the Defense Logistics Agency to reduce inventory levels

and holding costs while improving the responsiveness of the supply system to user needs.

“(d) REPORT ON EXPANSION OF COVERED SUPPLIES AND EQUIPMENT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report evaluating the feasibility of expanding the list of covered supplies and equipment under subsection (b) to include repairable items.”

DIRECT VENDOR DELIVERY SYSTEM FOR CONSUMABLE INVENTORY ITEMS OF DEPARTMENT OF DEFENSE

Pub. L. 104-106, div. A, title III, §352, Feb. 10, 1996, 110 Stat. 266, provided that:

“(a) IMPLEMENTATION OF DIRECT VENDOR DELIVERY SYSTEM.—Not later than September 30, 1997, the Secretary of Defense shall, to the maximum extent practicable, implement a system under which consumable inventory items referred to in subsection (b) are delivered to military installations throughout the United States directly by the vendors of those items. The purpose for implementing the system is to reduce the expense and necessity of maintaining extensive warehouses for those items within the Department of Defense.

“(b) COVERED ITEMS.—The items referred to in subsection (a) are the following:

“(1) Food and clothing.

“(2) Medical and pharmaceutical supplies.

“(3) Automotive, electrical, fuel, and construction supplies.

“(4) Other consumable inventory items the Secretary considers appropriate.”

DATE OF ISSUANCE OF POLICY

Section 323(b) of Pub. L. 101-510 provided that: “The policy required by section 2458(a) of title 10, United States Code (as added by subsection (a)), shall be issued not later than 180 days after the date of the enactment of this Act [Nov. 5, 1990].”

CHAPTER 146—CONTRACTING FOR PERFORMANCE OF CIVILIAN COMMERCIAL OR INDUSTRIAL TYPE FUNCTIONS

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[2467, 2468.	Repealed.]
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[2469a.	Repealed.]
2470.	Depot-level activities of the Department of Defense: authority to compete for maintenance and repair workloads of other Federal agencies.
[2471.	Repealed.]
2472.	Prohibition on management of depot employees by end strength.
[2473.	Repealed.]
2474.	Centers of Industrial and Technical Excellence: designation; public-private partnerships.

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2475. Consolidation, restructuring, or reengineering of organizations, functions, or activities: notification requirements.
2476. Minimum capital investment for certain depots.

AMENDMENTS

2011—Pub. L. 112-81, div. A, title III, § 327(b), Dec. 31, 2011, 125 Stat. 1368, substituted “Core depot-level maintenance and repair capabilities” for “Core logistics capabilities” in item 2464.

Pub. L. 111-383, div. A, title VIII, § 822(b), Jan. 7, 2011, 124 Stat. 4268, struck out item 2473 “Procurements from the small arms production industrial base”.

2008—Pub. L. 110-181, div. A, title III, §§ 322(d), 324(a)(2), Jan. 28, 2008, 122 Stat. 60, 61, added item 2463 and struck out item 2467 “Cost comparisons: inclusion of retirement costs; consultation with employees; waiver of comparison”.

2006—Pub. L. 109-364, div. A, title III, § 332(b), Oct. 17, 2006, 120 Stat. 2150, added item 2476.

Pub. L. 109-163, div. A, title III, § 341(g)(4), Jan. 6, 2006, 119 Stat. 3200, substituted “Public-private competition required” for “Commercial or industrial type functions: required studies and reports” in item 2461, “Development and implementation of system for monitoring cost saving resulting from public-private competitions” for “Development of system for monitoring cost savings resulting from workforce reductions” in item 2461a, and “Reports on public-private competition” for “Contracting for certain supplies and services required when cost is lower” in item 2462 and struck out item 2463 “Collection and retention of cost information data on converted services and functions”.

2004—Pub. L. 108-375, div. A, title III, § 322(b)(2), Oct. 28, 2004, 118 Stat. 1846, substituted “Prohibition on management of depot employees by end strength” for “Management of depot employees” in item 2472.

2002—Pub. L. 107-314, div. A, title III, § 333(b), Dec. 2, 2002, 116 Stat. 2514, struck out item 2469a “Use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at certain military installations”.

2001—Pub. L. 107-107, div. A, title X, § 1048(e)(10)(B), Dec. 28, 2001, 115 Stat. 1228, struck out item 2468 “Military installations: authority of base commanders over contracting for commercial activities”.

2000—Pub. L. 106-398, § 1 [div. A], title III, §§ 341(g)(2), 353(b), 354(b)], Oct. 30, 2000, 114 Stat. 1654, 1654A-64, 1654A-73, 1654A-75, added items 2461a and 2475 and struck out item 2471 “Persons outside the Department of Defense: lease of excess depot-level equipment and facilities by”.

1999—Pub. L. 106-65, div. A, title III, § 342(b)(2), Oct. 5, 1999, 113 Stat. 569, added item 2467 and struck former item 2467 “Cost comparisons: requirements with respect to retirement costs and consultation with employees”.

1997—Pub. L. 105-85, div. A, title III, §§ 355(c)(1), 356(b), 359(a)(2), 361(a)(2), 385(b), Nov. 18, 1997, 111 Stat. 1694, 1695, 1699, 1701, 1712, added item 2460, substituted “Collection and retention of cost information data on converted services and functions” for “Reports on savings or costs from increased use of DOD civilian personnel” in item 2463 and “capabilities” for “functions” in item 2464, and added items 2469a and 2474.

1996—Pub. L. 104-201, div. A, title VIII, § 832(b), Sept. 23, 1996, 110 Stat. 2616, added item 2473.

Pub. L. 104-106, div. A, title III, § 312(d), Feb. 10, 1996, 110 Stat. 251, added item 2472.

Pub. L. 104-106, div. A, title III, § 311(f)(2), Feb. 10, 1996, 110 Stat. 248, which directed striking out items 2466 and 2469, was repealed by Pub. L. 105-85, div. A, title III, § 363, Nov. 18, 1997, 111 Stat. 1702.

1994—Pub. L. 103-337, div. A, title III, §§ 335(b), 336(b), Oct. 5, 1994, 108 Stat. 2717, added items 2470 and 2471.

1992—Pub. L. 102-484, div. A, title III, § 353(b), Oct. 23, 1992, 106 Stat. 2379, added item 2469.

1991—Pub. L. 102-190, div. A, title III, § 314(a)(2), Dec. 5, 1991, 105 Stat. 1337, substituted “Limitations on the

performance of depot-level maintenance of materiel” for “Prohibition on certain depot maintenance workload competitions” in item 2466.

1989—Pub. L. 101-189, div. A, title XI, § 1131(a)(2), Nov. 29, 1989, 103 Stat. 1561, added item 2468.

1988—Pub. L. 100-456, div. A, title III, §§ 326(b), 331(b), Sept. 29, 1988, 102 Stat. 1956, 1958, added items 2466 and 2467.

§ 2460. Definition of depot-level maintenance and repair

In this chapter, the term “depot-level maintenance and repair”—

(1) means any action performed on materiel or software in the conduct of inspection, repair, overhaul, or the modification or rebuild of end-items, assemblies, subassemblies, and parts, that—

(A) requires extensive industrial facilities, specialized tools and equipment, or uniquely experienced and trained personnel that are not available in lower echelon-level maintenance activities; and

(B) is a function and, as such, is independent of any location or funding source and may be performed in the public or private sectors (including the performance of interim contract support or contract logistic support arrangements); and

(2) includes—

(A) the fabrication of parts, testing, and reclamation, as necessary;

(B) the repair, adaptive modifications or upgrades, change events made to operational software, integration and testing; and

(C) in the case of either hardware or software modifications or upgrades, the labor associated with the application of the modification.

(Added Pub. L. 105-85, div. A, title III, § 355(a), Nov. 18, 1997, 111 Stat. 1693; amended Pub. L. 105-261, div. A, title III, § 341, Oct. 17, 1998, 112 Stat. 1973; Pub. L. 112-81, div. A, title III, § 321, Dec. 31, 2011, 125 Stat. 1361.)

AMENDMENTS

2011—Pub. L. 112-81 amended section generally. Prior to amendment, section related to definition of depot-level maintenance and repair and provided for certain exceptions.

1998—Subsec. (a). Pub. L. 105-261 inserted “or the location at which the maintenance or repair is performed” before period at end of first sentence.

§ 2461. Public-private competition required before conversion to contractor performance

(a) PUBLIC-PRIVATE COMPETITION.—(1) No function of the Department of Defense performed by Department of Defense civilian employees may be converted, in whole or in part, to performance by a contractor unless the conversion is based on the results of a public-private competition that—

(A) formally compares the cost of performance of the function by Department of Defense civilian employees with the cost of performance by a contractor;

(B) creates an agency tender, including a most efficient organization plan, in accordance with Office of Management and Budget Circular A-76, as implemented on May 29, 2003, or any successor circular;