

Subsecs. (c), (d). Pub. L. 108-136, §333(2), (3), added subsec. (c) and redesignated former subsec. (c) as (d).

1999—Subsec. (b). Pub. L. 106-65 inserted “(including the cost of labor and materials)” after “\$3,000,000”.

1997—Pub. L. 105-85, §363, repealed Pub. L. 104-106, §311(f)(1). See 1996 Amendment note below.

Subsecs. (a), (b). Pub. L. 105-85, §355(b), substituted “maintenance and repair” for “maintenance or repair”.

1996—Pub. L. 104-106, §311(f)(1), which directed repeal of this section, was repealed by Pub. L. 105-85, §363.

1994—Pub. L. 103-337 amended section generally. Prior to amendment, section read as follows:

“(a) REQUIREMENT FOR COMPETITION.—The Secretary of Defense or the Secretary of a military department may not change the performance of a depot-level maintenance workload that has a value of not less than \$3,000,000 and is being performed by a depot-level activity of the Department of Defense to performance by a contractor unless the Secretary uses competitive procedures for the selection of the contractor to perform such workload.

“(b) INAPPLICABILITY OF OMB CIRCULAR A-76.—The use of Office of Management and Budget Circular A-76 shall not apply to a performance change under subsection (a).”

1993—Pub. L. 103-160, §346, amended section, as amended by Pub. L. 103-160, §1182(a)(7), (h), by designating existing provisions as subsec. (a), inserting heading, striking out “threshold” before “value”, substituting “to performance by a contractor unless the Secretary uses competitive procedures for the selection of the contractor to perform such workload” for “unless the Secretary uses competitive procedures to make the change”, and adding subsec. (b).

Pub. L. 103-160, §1182(a)(7), struck out “, prior to any such change,” after “Department of Defense unless”.

**[§ 2469a. Repealed. Pub. L. 107-314, div. A, title III, § 333(a), Dec. 2, 2002, 116 Stat. 2514]**

Section, added Pub. L. 105-85, div. A, title III, §359(a)(1), Nov. 18, 1997, 111 Stat. 1696; amended Pub. L. 106-65, div. A, title III, §335, title X, §1066(a)(20), Oct. 5, 1999, 113 Stat. 568, 771, related to use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at closed or realigned military installations.

**§ 2470. Depot-level activities of the Department of Defense: authority to compete for maintenance and repair workloads of other Federal agencies**

A depot-level activity of the Department of Defense shall be eligible to compete for the performance of any depot-level maintenance and repair workload of a Federal agency for which competitive procedures are used to select the entity to perform the workload.

(Added Pub. L. 103-337, div. A, title III, §335(a), Oct. 5, 1994, 108 Stat. 2716.)

**[§ 2471. Repealed. Pub. L. 106-398, §1 [[div. A], title III, §341(g)(1)], Oct. 30, 2000, 114 Stat. 1654, 1654A-64]**

Section, added Pub. L. 103-337, div. A, title III, §336(a), Oct. 5, 1994, 108 Stat. 2717; amended Pub. L. 104-106, div. A, title XV, §1503(a)(26), Feb. 10, 1996, 110 Stat. 512; Pub. L. 105-85, div. A, title III, §361(b)(1), Nov. 18, 1997, 111 Stat. 1701, related to lease of excess depot-level equipment and facilities by persons outside the Department of Defense.

**§ 2472. Prohibition on management of depot employees by end strength**

The civilian employees of the Department of Defense, including the civilian employees of the

military departments and the Defense Agencies, who perform, or are involved in the performance of, depot-level maintenance and repair workloads may not be managed on the basis of any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees. Such employees shall be managed solely on the basis of the available workload and the funds made available for such depot-level maintenance and repair.

(Added and amended Pub. L. 104-106, div. A, title III, §312(a), (b), Feb. 10, 1996, 110 Stat. 250; Pub. L. 105-85, div. A, title III, §360, Nov. 18, 1997, 111 Stat. 1700; Pub. L. 106-65, div. A, title X, §1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 108-375, div. A, title III, §322(a), (b)(1), Oct. 28, 2004, 118 Stat. 1846.)

**Editorial Notes**

**CODIFICATION**

The text of section 2466(b) of this title, which was transferred to this section and redesignated subsec. (a) by Pub. L. 104-106, §312(b), was based on Pub. L. 102-190, div. A, title III, §314(a)(1), Dec. 5, 1991, 105 Stat. 1336; Pub. L. 103-337, div. A, title III, §332(b), Oct. 5, 1994, 108 Stat. 2715.

**AMENDMENTS**

2004—Pub. L. 108-375 substituted “Prohibition on management of depot employees by end strength” for “Management of depot employees” in section catchline, struck out subsec. (a) designation and heading before “The civilian”, and struck out heading and text of subsec. (b). Text read as follows: “Not later than December 1 of each fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the number of employees employed and expected to be employed by the Department of Defense during that fiscal year to perform depot-level maintenance and repair of materiel. The report shall indicate whether that number is sufficient to perform the depot-level maintenance and repair functions for which funds are expected to be provided for that fiscal year for performance by Department of Defense employees.”

1999—Subsec. (b). Pub. L. 106-65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1997—Subsec. (a). Pub. L. 105-85 inserted first sentence and struck out former first sentence which read as follows: “The civilian employees of the Department of Defense involved in the depot-level maintenance and repair of materiel may not be managed on the basis of any end-strength constraint or limitation on the number of such employees who may be employed on the last day of a fiscal year.”

1996—Subsec. (a). Pub. L. 104-106, §312(b), renumbered section 2466(b) of this title as subsec. (a) of this section.

**Statutory Notes and Related Subsidiaries**

**SUBMISSION OF INITIAL REPORT**

Pub. L. 104-106, div. A, title III, §312(c), Feb. 10, 1996, 110 Stat. 250, required the report under subsec. (b) of this section for fiscal year 1996 to be submitted not later than Mar. 15, 1996.

**[§ 2473. Repealed. Pub. L. 111-383, div. A, title VIII, § 822(a), Jan. 7, 2011, 124 Stat. 4268]**

Section, added Pub. L. 104-201, div. A, title VIII, §832(a), Sept. 23, 1996, 110 Stat. 2616; amended Pub. L. 105-261, div. A, title VIII, §809(a)-(d), Oct. 17, 1998, 112 Stat. 2085, 2086; Pub. L. 106-65, div. A, title VIII, §815(b),

Oct. 5, 1999, 113 Stat. 712; Pub. L. 111-84, div. A, title VIII, § 818(a), Oct. 28, 2009, 123 Stat. 2408, required the Secretary of Defense to place conditions on the procurement of property or services in order to preserve the small arms production industrial base.

**§ 2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships**

(a) DESIGNATION.—(1) The Secretary concerned, or the Secretary of Defense in the case of a Defense Agency, shall designate each depot-level activity or military arsenal facility of the military departments and the Defense Agencies (other than facilities approved for closure or major realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note)) as a Center of Industrial and Technical Excellence in the recognized core competencies of the designee.

(2) The Secretary of Defense shall establish a policy to encourage the Secretary of each military department and the head of each Defense Agency to reengineer industrial processes and adopt best-business practices at their Centers of Industrial and Technical Excellence in connection with their core competency requirements, so as to serve as recognized leaders in their core competencies throughout the Department of Defense and in the national technology and industrial base (as defined in section 4801(1) of this title).

(3) The Secretary of a military department may conduct a pilot program, consistent with applicable requirements of law, to test any practices referred to in paragraph (2) that the Secretary determines could improve the efficiency and effectiveness of operations at Centers of Industrial and Technical Excellence, improve the support provided by the Centers for the armed forces user of the services of the Centers, and enhance readiness by reducing the time that it takes to repair equipment.

(b) PUBLIC-PRIVATE PARTNERSHIPS.—(1) To achieve one or more objectives set forth in paragraph (2), the Secretary designating a Center of Industrial and Technical Excellence under subsection (a) may authorize and encourage the head of the Center to enter into public-private cooperative arrangements (in this section referred to as a “public-private partnership”) to provide for any of the following:

(A) For employees of the Center, private industry, or other entities outside the Department of Defense to perform (under contract, subcontract, or otherwise) work related to the core competencies of the Center, including any depot-level maintenance and repair work that involves one or more core competencies of the Center.

(B) For private industry or other entities outside the Department of Defense to use, for any period of time determined to be consistent with the needs of the Department of Defense, any facilities or equipment of the Center that are not fully utilized for a military department's own production or maintenance requirements.

(2) The objectives for exercising the authority provided in paragraph (1) are as follows:

(A) To maximize the utilization of the capacity of a Center of Industrial and Technical Excellence.

(B) To reduce or eliminate the cost of ownership of a Center by the Department of Defense in such areas of responsibility as operations and maintenance and environmental remediation.

(C) To reduce the cost of products of the Department of Defense produced or maintained at a Center.

(D) To leverage private sector investment in—

(i) such efforts as plant and equipment recapitalization for a Center; and

(ii) the promotion of the undertaking of commercial business ventures at a Center.

(E) To foster cooperation between the armed forces and private industry.

(3) If the Secretary concerned, or the Secretary of Defense in the case of a Defense Agency, authorizes the use of public-private partnerships under this subsection, the Secretary shall submit to Congress a report evaluating the need for loan guarantee authority, similar to the ARMS Initiative loan guarantee program under section 7555 of this title, to facilitate the establishment of public-private partnerships and the achievement of the objectives set forth in paragraph (2).

(c) PRIVATE SECTOR USE OF EXCESS CAPACITY.—Any facilities or equipment of a Center of Industrial and Technical Excellence made available to private industry may be used to perform maintenance or to produce goods in order to make more efficient and economical use of Government-owned industrial plants and encourage the creation and preservation of jobs to ensure the availability of a workforce with the necessary manufacturing and maintenance skills to meet the needs of the armed forces.

(d) CREDITING OF AMOUNTS FOR PERFORMANCE.—Amounts received by a Center for work performed under a public-private partnership shall be credited to the appropriation or fund, including a working-capital fund, that incurs the cost of performing the work. Consideration in the form of rental payments or (notwithstanding section 3302(b) of title 31) in other forms may be accepted for a use of property accountable under a contract performed pursuant to this section. Notwithstanding section 2667(e) of this title, revenues generated pursuant to this section shall be available for facility operations, maintenance, and environmental restoration at the Center where the leased property is located.

(e) AVAILABILITY OF EXCESS EQUIPMENT TO PRIVATE-SECTOR PARTNERS.—Equipment or facilities of a Center of Industrial and Technical Excellence may be made available for use by a private-sector entity under this section only if—

(1) the use of the equipment or facilities will not have a significant adverse effect on the readiness of the armed forces, as determined by the Secretary concerned or, in the case of a Center in a Defense Agency, by the Secretary of Defense; and

(2) the private-sector entity agrees—

(A) to reimburse the Department of Defense for the direct and indirect costs (in-