H. R. 5457

AN ACT

To improve the visibility, accountability, and oversight of agency software asset management practices, and for other purposes.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Strengthening Agency Management and Oversight of Software Assets Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of General Services.

(2) AGENCY.—The term "agency" has the meaning given that term in section 3502 of title 44, United States Code, except that such term does not include an element of the intelligence community.

(3) CLOUD COMPUTING.—The term "cloud computing" has the meaning given the term in Special Publication 800–145 of the National Institute of Standards and Technology, or any successor document.

(4) CLOUD SERVICE PROVIDER.—The term "cloud service provider" has the meaning given the term in section 3607(b) of title 44, United States Code.

(5) COMPREHENSIVE ASSESSMENT.—The term "comprehensive assessment" means a comprehensive assessment conducted pursuant to section 3(a).

1 (6) DIRECTOR.—The term ''Director'' means
2 the Director of the Office of Management and Budg-
3 et.

4 (7) INTELLIGENCE COMMUNITY.—The term
5 ''intelligence community'' has the meaning given the
6 term in section 3 of the National Security Act of
7 1947 (50 U.S.C. 3003).

8 (8) PLAN.—The term ''plan'' means the plan
9 developed by a Chief Information Officer, or equiva-
10 lent official, pursuant to section 4(a).

11 (9) SOFTWARE ENTITLEMENT.—The term
12 ''software entitlement'' means any software that—

13 (A) has been purchased, leased, or licensed
14 by or billed to an agency under any contract or
15 other business arrangement; and

16 (B) is subject to use limitations.

17 (10) SOFTWARE INVENTORY.—The term ''soft-
18 ware inventory'' means the software inventory of an
19 agency required pursuant to—

20 (A) section 2(b)(2)(A) of the Making Elec-
21 tronic Government Accountable By Yielding
22 Tangible Efficiencies Act of 2016 (40 U.S.C.
23 11302 note; Public Law 114–210); or

24 (B) subsequent guidance issued by the Di-
25 rector pursuant to that Act.

SEC. 3. SOFTWARE INVENTORY UPDATE AND EXPANSION.

(a) IN GENERAL.—As soon as practicable, and not later than 18 months after the date of enactment of this Act, the Chief Information Officer of each agency, in consultation with the Chief Financial Officer, the Chief Acquisition Officer, the Chief Data Officer, and General Counsel of the agency, or the equivalent officials of the agency, shall complete a comprehensive assessment of the software paid for by, in use at, or deployed throughout the agency, which shall include—

(1) the current software inventory of the agency, including software entitlements, contracts and other agreements or arrangements of the agency, and a list of the largest software entitlements of the agency separated by provider and category of software;

(2) a comprehensive, detailed accounting of—

(A) any software used by or deployed within the agency, including software developed or built by the agency, or by another agency for use by the agency, including shared services, as of the date of the comprehensive assessment, including, to the extent identifiable, the contracts and other agreements or arrangements used by the agency to acquire, build, deploy, or use such software;

5

1 (B) information and data on software enti-
2 tlements, which shall include information on
3 any additional fees or costs, including fees or
4 costs for the use of cloud services, that are not
5 included in the initial costs of the contract,
6 agreement, or arrangement—

7 (i) for which the agency pays;

8 (ii) that are not deployed or in use by
9 the agency; and

10 (iii) that are billed to the agency
11 under any contract or business arrange-
12 ment that creates duplication, or are other-
13 wise determined to be unnecessary by the
14 Chief Information Officer of the agency, or
15 the equivalent official, in the deployment
16 or use by the agency; and

17 (C) the extent—

18 (i) to which any software paid for, in
19 use, or deployed throughout the agency is
20 interoperable; and

21 (ii) of the efforts of the agency to im-
22 prove interoperability of software assets
23 throughout the agency enterprise;

24 (3) a categorization of software entitlements of
25 the agency by cost, volume, and type of software;

1   (4) a list of any provisions in the software enti-

2 tlements of the agency that may restrict how the

3 software can be deployed, accessed, or used, includ-

4 ing any such restrictions on desktop or server hard-

5 ware, through a cloud service provider, or on data

6 ownership or access; and

7   (5) an analysis addressing—

8   (A) the accuracy and completeness of the

9   comprehensive assessment;

10   (B) agency management of and compliance

11   with all contracts or other agreements or ar-

12   rangements that include or reference software

13   entitlements or software management within

14   the agency;

15   (C) the extent to which the agency accu-

16   rately captures the total cost of software enti-

17   tlements and related costs, including the total

18   cost of upgrades over the life of a contract,

19   cloud usage costs, and any other cost associated

20   with the maintenance or servicing of contracts;

21   and

22   (D) compliance with software license man-

23   agement policies of the agency.

24 (b) CONTRACT SUPPORT.—

1   (1) AUTHORITY.—The head of an agency may

2   enter into 1 or more contracts to support the re-

3   quirements of subsection (a).

4   (2) NO CONFLICT OF INTEREST.—Contracts

5   under paragraph (1) shall not include contractors

6   with organizational conflicts of interest, within the

7   meaning given that term under subpart 9.5 of the

8   Federal Acquisition Regulation.

9   (3) OPERATIONAL INDEPENDENCE.—Over the

10   course of a comprehensive assessment, contractors

11   hired pursuant to paragraph (1) shall maintain oper-

12   ational independence from the integration, manage-

13   ment, and operations of the software inventory and

14   software entitlements of the agency.

15 (c) SUBMISSION.—On the date on which the Chief In-

16 formation Officer, Chief Financial Officer, Chief Acquisi-

17 tion Officer, the Chief Data Officer, and General Counsel

18 of an agency, or the equivalent officials of the agency,

19 complete the comprehensive assessment, the Chief Infor-

20 mation Officer shall submit the comprehensive assessment

21 to the head of the agency.

22 (d) SUBSEQUENT SUBMISSION.—Not later than 30

23 days after the date on which the head of an agency re-

24 ceives the comprehensive assessment under subsection (c),

8

the head of the agency shall submit the comprehensive assessment to—

        (1) the Director;

        (2) the Administrator;

        (3) the Comptroller General of the United States;

        (4) the Committee on Homeland Security and Governmental Affairs of the Senate; and

        (5) the Committee on Oversight and Government Reform of the House of Representatives.

(e) CONSULTATION.—In order to ensure the utility and standardization of the comprehensive assessment of each agency, including to support the development of each plan and the report required under section 4(e)(2), the Director, in consultation with the Administrator, shall share information, best practices, and recommendations relating to the activities performed in the course of a comprehensive assessment of an agency.

(f) INTELLIGENCE COMMUNITY.—For each element of the intelligence community, a comprehensive assessment described under subsection (a) shall be—

        (1) conducted separately;

        (2) performed only by an entity designated by the head of the element of the intelligence community, in accordance with appropriate applicable laws;

•HR 5457 EH

1   (3) performed in such a manner as to ensure

2   appropriate protection of information which, if dis-

3   closed, may adversely affect national security; and

4   (4) submitted in summary form, not later than

5   30 days after the date on which the head of the ele-

6   ment of the intelligence community receives the as-

7   sessment, by the head of the element of the intel-

8   ligence community to—

9   (A) the Director;

10   (B) the Select Committee on Intelligence

11   of the Senate; and

12   (C) the Permanent Select Committee on

13   Intelligence of the House of Representatives.

14 **SEC. 4. SOFTWARE MODERNIZATION PLANNING AT AGEN-**

15   **CIES.**

16   (a) IN GENERAL.—The Chief Information Officer of

17 each agency, in consultation with the Chief Financial Offi-

18 cer, the Chief Acquisition Officer, the Chief Data Officer,

19 and the General Counsel of the agency, or the equivalent

20 officials of the agency, shall use the information developed

21 pursuant to the comprehensive assessment of the agency

22 to develop a plan for the agency—

23   (1) to consolidate software entitlements of the

24   agency;

1   (2) to ensure that, in order to improve the per-

2 formance of, and reduce unnecessary costs to, the

3 agency, the Chief Information Officer, Chief Data

4 Officer, and Chief Acquisition Officer of the agency,

5 or the equivalent officers, develop criteria and proce-

6 dures for how the agency will adopt cost-effective ac-

7 quisition strategies, including enterprise licensing,

8 across the agency that reduce costs, eliminate excess

9 licenses, and improve performance; and

10   (3) to restrict the ability of a bureau, program,

11 component, or operational entity within the agency

12 to acquire, use, develop, or otherwise leverage any

13 software entitlement (or portion thereof) without the

14 approval of the Chief Information Officer of the

15 agency, in consultation with the Chief Acquisition

16 Officer of the agency, or the equivalent officers of

17 the agency.

18   (b) PLAN REQUIREMENTS.—The plan of an agency

19 shall—

20   (1) include a detailed strategy for—

21   (A) the remediation of any software asset

22   management deficiencies found during the com-

23   prehensive assessment of the agency;

1   (B) the ongoing maintenance of software
2   asset management upon the completion of the
3   remediation;

4   (C) automation of software license man-
5   agement processes and incorporation of dis-
6   covery tools across the agency;

7   (D) ensuring that officers and employees
8   of the agency are adequately trained in the poli-
9   cies, procedures, rules, regulations, and guid-
10   ance relating to the software acquisition and
11   development of the agency before entering into
12   any agreement relating to any software entitle-
13   ment (or portion thereof) for the agency, in-
14   cluding training on—

15   (i) negotiating options within con-
16   tracts to address and minimize provisions
17   that restrict how the agency may deploy,
18   access, or use the software, including re-
19   strictions on deployment, access, or use on
20   desktop or server hardware and restric-
21   tions on data ownership or access;

22   (ii) the differences between acquiring
23   commercial software products and services
24   and acquiring or building custom software;
25   and

1   (iii) determining the costs of different

2   types of licenses and options for adjusting

3   licenses to meet increasing or decreasing

4   demand; and

5   (E) maximizing the effectiveness of soft-

6   ware deployed by the agency, including, to the

7   extent practicable, leveraging technologies

8   that—

9   (i) measure actual software usage via

10   analytics that can identify inefficiencies to

11   assist in rationalizing software spending;

12   (ii) allow for segmentation of the user

13   base;

14   (iii) support effective governance and

15   compliance in the use of software; and

16   (iv) support interoperable capabilities

17   between software;

18   (2) identify categories of software the agency

19 could prioritize for conversion to more cost-effective

20 software licenses, including enterprise licenses, as

21 the software entitlements, contracts, and other

22 agreements or arrangements come up for renewal or

23 renegotiation;

24   (3) provide an estimate of the costs to move to-

25 ward more enterprise, open-source, or other licenses

1 that do not restrict the use of software by the agen-
2 cy, and the projected cost savings, efficiency meas-
3 ures, and improvements to agency performance
4 throughout the total software lifecycle;

5   (4) identify potential mitigations to minimize
6 software license restrictions on how such software
7 can be deployed, accessed, or used, including any
8 mitigations that would minimize any such restric-
9 tions on desktop or server hardware, through a cloud
10 service provider, or on data ownership or access;

11   (5) ensure that the purchase by the agency of
12 any software is based on publicly available criteria
13 that are not unduly structured to favor any specific
14 vendor, unless prohibited by law (including regula-
15 tion);

16   (6) include any estimates for additional re-
17 sources, services, or support the agency may need to
18 implement the plan;

19   (7) provide information on the prevalence of
20 software products in use across multiple software
21 categories; and

22   (8) include any additional information, data, or
23 analysis determined necessary by the Chief Informa-
24 tion Officer, or other equivalent official, of the agen-
25 cy.

1 (c) SUPPORT.—The Chief Information Officer, or
2 other equivalent official, of an agency may request support
3 from the Director and the Administrator for any analysis
4 or developmental needs to create the plan of the agency.

5 (d) AGENCY SUBMISSION.—

6 (1) IN GENERAL.—Not later than 1 year after
7 the date on which the head of an agency submits the
8 comprehensive assessment pursuant to section 3(d),
9 the head of the agency shall submit to the Director,
10 the Committee on Homeland Security and Govern-
11 mental Affairs of the Senate, and the Committee on
12 Oversight and Government Reform of the House of
13 Representatives the plan of the agency.

14 (2) INTELLIGENCE COMMUNITY.—Not later
15 than 1 year after the date on which the head of an
16 element of the intelligence community submits the
17 summary assessment pursuant to section 3(f)(4), the
18 head of the element shall separately submit the plan
19 of the element to the Director, the Select Committee
20 on Intelligence of the Senate, and the Permanent
21 Select Committee on Intelligence of the House of
22 Representatives.

23 (e) CONSULTATION AND COORDINATION.—The Di-
24 rector—

1   (1) in coordination with the Administrator, the

2   Chief Information Officers Council, the Chief Acqui-

3   sition Officers Council, the Chief Data Officers

4   Council, the Chief Financial Officers Council, and

5   other government and industry representatives iden-

6   tified by the Director, shall establish processes,

7   using existing reporting functions, as appropriate, to

8   identify, define, and harmonize common definitions,

9   terms and conditions, standardized requirements,

10   and other information and criteria to support agency

11   heads in developing and implementing the plans re-

12   quired by this section; and

13   (2) in coordination with the Administrator, and

14   not later than 2 years after the date of enactment

15   of this Act, submit to the Committee on Homeland

16   Security and Governmental Affairs of the Senate

17   and the Committee on Oversight and Government

18   Reform of the House of Representatives a report de-

19   tailing recommendations to leverage Government

20   procurement policies and practices with respect to

21   software acquired by, developed by, deployed within,

22   or in use at 1 or more agencies to—

23   (A) increase the interoperability of soft-

24   ware licenses, including software entitlements

25   and software built by Government agencies;

1   (B) consolidate licenses, as appropriate;

2   (C) reduce costs;

3   (D) improve performance; and

4   (E) modernize the management and over-

5   sight of software entitlements and software

6   built by Government agencies, as identified

7   through an analysis of agency plans.

8 **SEC. 5. GAO REPORT.**

9   Not later than 3 years after the date of enactment

10 of this Act, the Comptroller General of the United States

11 shall submit to the Committee on Homeland Security and

12 Governmental Affairs of the Senate and the Committee

13 on Oversight and Government Reform of the House of

14 Representatives a report on—

15   (1) Government-wide trends in agency software

16   asset management practices;

17   (2) comparisons of software asset management

18   practices among agencies;

19   (3) the establishment by the Director of proc-

20   esses to identify, define, and harmonize common

21   definitions, terms, and conditions under section 4(e);

22   (4) agency compliance with the restrictions on

23   contract support under section 3(b); and

1   (5) other analyses of and findings regarding the

2   plans of agencies, as determined by the Comptroller

3   General of the United States.

4 **SEC. 6. NO ADDITIONAL FUNDS.**

5   No additional funds are authorized to be appro-

6 priated for the purpose of carrying out this Act.

      Passed the House of Representatives December 15, 2025.

      Attest:

Clerk.

119TH CONGRESS
1ST SESSION

H. R. 5457

AN ACT

To improve the visibility, accountability, and oversight of agency software asset management practices, and for other purposes.