

119TH CONGRESS
1ST SESSION

S. 1591

To amend title 38, United States Code, to reorganize the acquisition structure of the Department of Veterans Affairs and to establish the Director of Cost Assessment and Program Evaluation in the Department, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 5, 2025

Mr. MORAN introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to reorganize the acquisition structure of the Department of Veterans Affairs and to establish the Director of Cost Assessment and Program Evaluation in the Department, 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Acquisition Reform and Cost Assessment Act of 2025”
6 or the “ARCA Act of 2025”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Department of Veterans Affairs acquisition organization.
- Sec. 3. Department of Veterans Affairs major acquisition program managers.
- Sec. 4. Department of Veterans Affairs acquisition and procurement reorganization matters.
- Sec. 5. Independent verification and validation of major acquisition programs of Department of Veterans Affairs.
- Sec. 6. Department of Veterans Affairs cost assessment and program evaluation.
- Sec. 7. Department of Veterans Affairs other transaction authority and advance market commitments for technologies or services for provision of health care.
- Sec. 8. Development and expansion of an 1102 internship or development pipeline.
- Sec. 9. Clerical amendment.

SEC. 2. DEPARTMENT OF VETERANS AFFAIRS ACQUISITION ORGANIZATION.

(a) DEFINITIONS.—Chapter 81 of title 38, United States Code, is amended by inserting after subchapter VI the following new subchapter:

“SUBCHAPTER VII—ACQUISITION ORGANIZATION, COST ASSESSMENT, AND PROGRAM EVALUATION

“§ 8181. Definitions

“In this subchapter:

“(1) The term ‘major acquisition program’ means a program of the Department to acquire property, systems or technology, assets, supplies, services, or a combination thereof, with an estimated total program life-cycle cost of \$250,000,000 or more, as determined by the Secretary.

1 “(2) The term ‘non-major acquisition program’
 2 means a program of the Department to acquire
 3 property, systems or technology, assets, supplies,
 4 services, or a combination thereof, with an estimated
 5 total program life-cycle cost of less than
 6 \$250,000,000, as determined by the Secretary.”.

7 (b) ASSISTANT SECRETARY FOR ACQUISITION AND
 8 INNOVATION.—Section 308 of such title is amended—

9 (1) in subsection (a)(1), by striking “seven”
 10 and inserting “eight”; and

11 (2) in subsection (b), by adding at the end the
 12 following new paragraph:

13 “(13) Acquisition and innovation.”.

14 (c) ACQUISITION ORGANIZATION.—Subchapter VI of
 15 chapter 81 of such title, as added by subsection (a), is
 16 amended by adding at the end the following new section:

17 **“§ 8182. Acquisition organization**

18 “(a) ASSISTANT SECRETARY FOR ACQUISITION AND
 19 INNOVATION; CHIEF ACQUISITION OFFICER.—(1) The
 20 Secretary shall designate one of the Assistant Secretaries
 21 specified in subsection (a)(1) of section 308 of this title
 22 as the Assistant Secretary of Veterans Affairs for Acquisi-
 23 tion and Innovation, who shall focus solely on the adminis-
 24 tration of functions specified in subsection (b)(13) of such
 25 section.

1 “(2) Pursuant to section 1702(a) of title 41, the Sec-
2 retary shall designate the Assistant Secretary of Veterans
3 Affairs for Acquisition and Innovations as the Chief Ac-
4 quisition Officer of the Department.

5 “(b) OFFICE OF ACQUISITION AND INNOVATION.—
6 (1) There is in the Department an Office of Acquisition
7 and Innovation.

8 “(2) The head of the Office of Acquisition and Inno-
9 vation shall be the Assistant Secretary of Veterans Affairs
10 for Acquisition and Innovation designated pursuant to
11 subsection (a).

12 “(3) The Secretary shall take such actions as may
13 be necessary to ensure that major program offices of the
14 Department align under the Office of Acquisition and In-
15 novation and report directly to the Assistant Secretary of
16 Veterans Affairs for Acquisition and Innovation.

17 “(4) The budget of the Office of Acquisition and In-
18 novation shall be established in the budget justification
19 materials submitted to Congress in support of the budget
20 of the Department (as submitted with the budget of the
21 President under section 1105(a) of title 31).

22 “(c) DEPUTY ASSISTANT SECRETARY FOR LOGIS-
23 TICS.—(1) Pursuant to section 308(d) of this title, the
24 Secretary shall appoint a Deputy Assistant Secretary of

1 Veterans Affairs for Logistics, who shall report to the As-
2 sistant Secretary for Acquisition and Innovation.

3 “(2) The Deputy Assistant Secretary of Veterans Af-
4 fairs for Logistics shall be responsible for administration
5 of logistics and supply chain operations of the Depart-
6 ment.

7 “(d) DEPUTY ASSISTANT SECRETARY FOR INNOVA-
8 TION.—(1) Pursuant to section 308(d) of this title, the
9 Secretary shall appoint a Deputy Assistant Secretary of
10 Veterans Affairs for Innovation, who shall report to the
11 Assistant Secretary for Acquisition and Innovation.

12 “(2) The Deputy Assistant Secretary of Veterans Af-
13 fairs for Innovation shall be responsible for all research,
14 development, testing, and innovation development organi-
15 zations of the Department, including the Veterans Health
16 Administration Innovation Ecosystem.

17 “(e) DEPUTY ASSISTANT SECRETARY FOR PROCURE-
18 MENT.—(1) Pursuant to section 308(d) of this title, the
19 Secretary shall appoint a Deputy Assistant Secretary of
20 Veterans Affairs for Procurement, who shall report to the
21 Assistant Secretary for Acquisition and Innovation.

22 “(2) The Deputy Assistant Secretary of Veterans Af-
23 fairs for Procurement shall be responsible for all procure-
24 ment and contracting organizations of the Department.”.

1 **SEC. 3. DEPARTMENT OF VETERANS AFFAIRS MAJOR AC-**
 2 **QUISITION PROGRAM MANAGERS.**

3 Subchapter VI of chapter 81 of title 38, United
 4 States Code, as added by section 2, is amended by adding
 5 at the end the following new section:

6 **“§ 8183. Major acquisition program managers**

7 “(a) APPOINTMENTS.—Not later than 30 days after
 8 any date on which the Secretary approves a major acquisi-
 9 tion program to commence, the Deputy Secretary shall ap-
 10 point a manager to be responsible for administering such
 11 program.

12 “(b) DUTIES.—Each manager appointed pursuant to
 13 subsection (a) shall report to the Assistant Secretary for
 14 Acquisition and Innovation and shall be responsible for,
 15 with respect to the applicable major acquisition program—

16 “(1) developing, in coordination with the Assist-
 17 ant Secretary, and functional teams responsible for
 18 the program requirements, a plan to administer such
 19 program, to be known as the ‘program baseline’,
 20 that includes—

21 “(A) a description of each acquisition
 22 phase of such program;

23 “(B) for each such acquisition phase, re-
 24 quirements for advancing such program to a
 25 subsequent acquisition phase; and

1 “(C) estimates of the cost, schedule, and
2 performance of such program that account for
3 the entire life cycle of such program;

4 “(2) ensuring such program is in compliance
5 with such requirements;

6 “(3) securing funding necessary to satisfy such
7 requirements;

8 “(4) adopting standardized processes with es-
9 tablished success to support the progress of such
10 program, including—

11 “(A) milestones;

12 “(B) exit criteria; and

13 “(C) specific accomplishments;

14 “(5) to the extent practicable, ensuring that
15 personnel of the Department responsible for esti-
16 mating the budget and cost of such program are
17 provided with an opportunity to raise concerns relat-
18 ing to such budget and cost prior to the establish-
19 ment of the program baseline under paragraph (1);

20 “(6) on a continuous basis, assessing and man-
21 aging risks to satisfying the requirements of such
22 program baseline relating to cost and schedule;

23 “(7) ensure such program complies with cost
24 accounting standards, as applicable;

1 “(8) establishing a workforce for such program
2 that is qualified and sufficient to perform the nec-
3 essary functions of such program; and

4 “(9) ensuring such program has adequate tech-
5 nology and production capacity prior to commencing
6 an acquisition phase of such program related to
7 manufacturing, if applicable.

8 “(c) CONSIDERATION OF ALTERNATE REQUIRE-
9 MENTS.—Not later than 90 days after any date on which
10 a manager appointed pursuant to subsection (a) estab-
11 lishes a program baseline described in subsection (b)(1),
12 such manager shall submit to the program decision au-
13 thority under subsection (d) a certification that such man-
14 ager considered establishing alternate requirements in
15 such program baseline relating to the cost, schedule, and
16 performance of each acquisition phase of such program
17 prior to establishing such program baseline.

18 “(d) PROGRAM DECISION AUTHORITY.—The Sec-
19 retary shall ensure that—

20 “(1) program decision authority for oversight of
21 a major acquisition program of the Department is
22 the Assistant Secretary for Acquisition and Innova-
23 tion; and

24 “(2) program management offices for major ac-
25 quisition programs are independent of the Veterans

1 Benefits Administration, the Veterans Health Ad-
2 ministration, the National Cemetery Administration
3 and Department staff offices by reporting directly to
4 the Assistant Secretary for Acquisition and Innova-
5 tion.

6 “(e) PROGRAM DECISION AUTHORITY AUTHORIZA-
7 TION REQUIRED.—(1) Not later than 30 days after any
8 date on which a major acquisition program concludes an
9 acquisition phase, the manager of such program appointed
10 pursuant to subsection (a) shall notify the program deci-
11 sion authority under subsection (d).

12 “(2) Such manager may not advance such program
13 to a subsequent acquisition phase without the authoriza-
14 tion of such program decision authority under subsection
15 (d).”.

16 **SEC. 4. DEPARTMENT OF VETERANS AFFAIRS ACQUISITION**
17 **AND PROCUREMENT REORGANIZATION MAT-**
18 **TERS.**

19 (a) CONTRACTING OFFICERS.—The Secretary of Vet-
20 erans Affairs shall transfer all contracting officers and ac-
21 quisition centers in the Department of Veterans Affairs
22 to the Office of Acquisition and Innovation established by
23 section 8182(b) of title 38, United States Code, as added
24 by section 2(c).

1 (b) CONSOLIDATION OF LOGISTICS AND SUPPLY
2 CHAIN OPERATIONS.—The Secretary shall take such ac-
3 tions as may be necessary to consolidate all activities relat-
4 ing to the administration of logistics and supply chain op-
5 erations of the Department under the Deputy Assistant
6 Secretary of Veterans Affairs for Logistics appointed pur-
7 suant to section 8182(e) of such title, as added by section
8 2(c).

9 **SEC. 5. INDEPENDENT VERIFICATION AND VALIDATION OF**
10 **MAJOR ACQUISITION PROGRAMS OF DEPART-**
11 **MENT OF VETERANS AFFAIRS.**

12 (a) CONTRACTING AUTHORITY.—Not later than 120
13 days after the date of the enactment of this Act, the Sec-
14 retary of Veterans Affairs shall—

15 (1) review and take action to ensure that all
16 independent verification and validation, as well as
17 testing contracts in effect in the Department, com-
18 ply with the provisions of this Act and the amend-
19 ments made by this Act; and

20 (2) seek to enter into one or more contracts
21 using competitive procedures with one or more enti-
22 ties to carry out the functions described in sub-
23 section (c).

24 (b) ELIGIBILITY.—

1 (1) IN GENERAL.—An entity is not eligible to
2 be awarded a contract under this section unless the
3 Chief Acquisition Officer of the Department of Vet-
4 erans Affairs determines, at the time of evaluation
5 of offers submitted under subsection (a), that the
6 entity is currently performing or has performed, dur-
7 ing the preceding three-year period, not fewer than
8 three prime contracts for—

9 (A) the independent verification and vali-
10 dation or systems engineering and technical ad-
11 visory (SETA) support of major acquisition
12 programs or defense systems, in accordance
13 with guidance of the Department of Defense re-
14 lating to such acquisition programs or such
15 business systems; or

16 (B) the independent verification and vali-
17 dation or systems engineering and technical ad-
18 visory (SETA) support of the development or
19 acquisition of major acquisition programs or de-
20 fense systems, in accordance with guidance of
21 the Department of Defense relating to such ac-
22 quisition programs or such business systems.

23 (2) LIMITATION.—The Secretary shall ensure
24 that an entity, including its subsidiaries, joint ven-
25 tures, subcontractors, teaming partners, invest-

ments, and corporate officers, awarded a contract under this section does not perform the functions specified in subsection (c) with respect to a project or system of the Department or organizational subdivision of the Department if such entity is performing or has performed, during the three-year period preceding the date of such award, a covered contract—

(A) for such project or system; or

(B) for the Department or such organizational subdivision of the Department.

(3) CONSIDERATION REGARDING FUTURE PROCUREMENTS.—A contracting officer of the Department shall consider the requirements of this subsection when implementing the organizational conflict of interest mitigation procedures under subpart of title 48, Code of Federal Regulations, or successor regulations, with respect to future procurements in which an entity awarded under subsection (a) is an offeror.

(c) FUNCTIONS.—The functions specified in this subsection are the following:

(1) The independent verification and validation of each major acquisition program or major information technology project—

1 (A) when such major program is initiated,
2 with respect to its design and the development
3 of its requirements and acquisition;

4 (B) at the conclusion of such project; and

5 (C) at any other intervals during such
6 project selected by the Chief Acquisition Officer
7 of the Department.

8 (2) The independent verification and validation
9 of other projects of the Department selected by the
10 Chief Acquisition Officer of the Department, at in-
11 tervals selected by the Chief Acquisition Officer.

12 (3) With respect to any project or system of the
13 Department selected by the Chief Acquisition Officer
14 of the Department the evaluation of—

15 (A) testing conducted by the Department
16 or other testing entity;

17 (B) technical architecture or design, in-
18 cluding data management;

19 (C) development processes;

20 (D) stability and resiliency;

21 (E) integration or interoperability with
22 other systems, including an assessment of data
23 quality;

24 (F) adoption and use;

1 (G) management, including governance,
2 costs, and schedules; and

3 (H) any other elements or processes as de-
4 termined by the Chief Acquisition Officer.

5 (d) TRANSMITTAL TO CONGRESS.—

6 (1) IN GENERAL.—Not later than 30 days after
7 the date on which an independent verification and
8 validation is performed pursuant to subsection
9 (c)(1), the Secretary shall transmit to Congress a
10 copy of such independent verification and validation.

11 (2) VERIFICATION AND VALIDATION AND EVAL-
12 UATIONS.—Not later than 30 days after the date on
13 which the Committee on Veterans' Affairs of the
14 Senate or the Committee on Veterans' Affairs of the
15 House of Representatives requests a copy of any
16 independent verification and validation under para-
17 graph (2) of subsection (c) or evaluation under para-
18 graph (3) of such subsection, the Secretary shall
19 transmit to such committee a copy of such
20 verification and validation or evaluation.

21 (3) ORGANIZATIONAL CONFLICT OF INTEREST;
22 MITIGATION PLANS.—Not later than 30 days after
23 the date on which the Committee on Veterans' Af-
24 fairs of the Senate or the Committee on Veterans'
25 Affairs of the House of Representatives requests a

1 copy of any organizational conflict of interest mitiga-
 2 tion plan submitted by an offeror pursuant to sub-
 3 section (b)(3), the Secretary shall transmit to such
 4 committee a copy of such plan.

5 (e) FUNDING.—The Chief Financial Officer of the
 6 Department shall ensure, to the extent practicable, that
 7 each organizational subdivision of the Department that
 8 enters into a contract under subsection (a) proportionally
 9 contributes amounts to fund each such contract.

10 (f) DEFINITIONS.—In this section:

11 (1) COVERED CONTRACT.—The term “covered
 12 contract” means a prime contract or subcontract
 13 for—

14 (A) information technology support or soft-
 15 ware or system design, development,
 16 sustainment, or maintenance services;

17 (B) professional or management consulting
 18 services; or

19 (C) advisory and assistance services.

20 (2) INDEPENDENT VERIFICATION VALIDA-
 21 TION.—The term “independent verification and vali-
 22 dation” means a comprehensive inspection, a review,
 23 analysis, and testing, or an assessment of systems,
 24 software, or hardware, as applicable, performed by
 25 an entity awarded a contract under subsection (a)—

1 (A) to verify that the requirements of a
2 project or system, or a development phase of
3 such a project, are correctly defined;

4 (B) to validate that the project or system,
5 or a product of a development phase of such a
6 project, correctly implements the required
7 functionality and applicable security require-
8 ments; and

9 (C) verify that a project or system, or a
10 product of a development phase of such a
11 project, satisfies and conforms to the require-
12 ments, standards, and practices of each life
13 cycle phase and successfully completes each life
14 cycle activity.

15 (3) MAJOR ACQUISITION PROGRAM.—The term
16 “major acquisition program” has the meaning given
17 such term in section 8181 of title 38, United States
18 Code, as added by section 2(a).

19 (4) MAJOR INFORMATION TECHNOLOGY
20 PROJECT.—The term “major information technology
21 project” has the meaning given such term in section
22 8171 of title 38, United States Code.

23 (5) MAJOR SYSTEM.—The term “major system”
24 has the meaning given such term in section 2.101 of

1 title 48, Code of Federal Regulations (or a successor
2 regulation).

3 **SEC. 6. DEPARTMENT OF VETERANS AFFAIRS COST AS-**
4 **SESSMENT AND PROGRAM EVALUATION.**

5 (a) IN GENERAL.—Subchapter VI of chapter 81 of
6 title 38, United States Code, as added by section 2 and
7 amended by section 3, is further amended by adding at
8 the end the following new section:

9 **“§ 8184. Cost assessment and program evaluation**

10 “(a) DIRECTOR OF COST ASSESSMENT AND PRO-
11 GRAM EVALUATION.—There is established a Director of
12 Cost Assessment and Program Evaluation, who shall re-
13 port directly to the Secretary.

14 “(b)(1) INDEPENDENT ADVICE TO SECRETARY OF
15 VETERANS AFFAIRS.—The Director of Cost Assessment
16 and Program Evaluation is the principal advisor to the
17 Secretary and other senior officials of the Department,
18 and shall provide independent analysis and advice to such
19 officials, on the following matters:

20 “(A) Matters assigned to the Director pursuant
21 to this section.

22 “(B) Matters assigned to the Director by the
23 Secretary pursuant to this section and to section
24 303 of this title.

1 “(2) The Director may communicate views on mat-
2 ters within the responsibility of the Director directly to
3 the Secretary and the Deputy Secretary of Veterans Af-
4 fairs without obtaining the approval or concurrence of any
5 other official within the Department.

6 “(c) DEPUTY DIRECTORS.—There are two Deputy
7 Directors within the Office of the Director of Cost Assess-
8 ment and Program Evaluation, as follows:

9 “(1) The Deputy Director for Cost Assessment.

10 “(2) The Deputy Director for Program Evalua-
11 tion.

12 “(d) RESPONSIBILITIES.—The Director of Cost As-
13 sessment and Program Evaluation shall serve as the prin-
14 cipal official within the senior management of the Depart-
15 ment for the following:

16 “(1) Cost estimation and cost analysis for ac-
17 quisition programs of the Department.

18 “(2) Analysis and advice on matters relating to
19 the planning and programming phases of the Plan-
20 ning, Programming, Budgeting, and Execution sys-
21 tem, and the preparation of materials and guidance
22 for such system, as directed by the Secretary, work-
23 ing in coordination with the Assistant Secretary for
24 Management and the Chief Financial Officer of the
25 Department.

1 “(3) Analysis and advice for resource discus-
2 sions relating to requirements under consideration in
3 the Veterans Health Administration, the Veterans
4 Benefits Administration, the National Cemetery Ad-
5 ministration, and all staff offices.

6 “(4) Formulation of study guidance for anal-
7 yses of alternatives for major acquisition programs
8 and performance of such analyses, as directed by the
9 Secretary.

10 “(5) Review, analysis, and evaluation of pro-
11 grams for executing approved strategies and policies,
12 ensuring that information on programs is presented
13 accurately and completely, and assessing the effect
14 of spending by the Department on the United States
15 economy.

16 “(6) Assessments of alternative plans, pro-
17 grams, and policies with respect to the acquisition
18 programs of the Department.

19 “(7) Leading the development of improved ana-
20 lytical skills and competencies within the cost assess-
21 ment and program evaluation workforce of the De-
22 partment and improved tools, data, and methods to
23 promote performance, economy, and efficiency in
24 analyzing Department planning and the allocation of
25 Department resources.

1 “(e) INDEPENDENT COST ESTIMATION AND COST
2 ANALYSIS.—The Director of Cost Assessment and Pro-
3 gram Evaluation shall ensure that the cost estimation and
4 cost analysis processes of the Department provide accu-
5 rate information and realistic estimates of cost for the ac-
6 quisition programs of the Department. In carrying out
7 that responsibility, the Director shall—

8 “(1) prescribe, by authority of the Secretary,
9 policies and procedures for the conduct of cost esti-
10 mation and cost analysis for the acquisition pro-
11 grams of the Department;

12 “(2) provide guidance to and consult with the
13 Secretary, the Chief Acquisition Officer, the Assist-
14 ant Secretary for Management, the Chief Financial
15 Officer of the Department, the Under Secretary for
16 Health, the Under Secretary for Benefits, and the
17 Under Secretary for Memorial Affairs with respect
18 to cost estimation in the Department in general and
19 with respect to specific cost estimates and cost anal-
20 yses to be conducted in connection with a major ac-
21 quisition program;

22 “(3) issue guidance relating to the proper selec-
23 tion of confidence levels in cost estimates generally,
24 and specifically, for the proper selection of con-
25 fidence levels in cost estimates for major acquisition

1 programs and major automated information system
2 programs;

3 “(4) issue guidance relating to full consider-
4 ation of life-cycle management and sustainability
5 costs in major acquisition programs and major auto-
6 mated information system programs;

7 “(5) review all cost estimates and cost analyses
8 conducted in connection with major acquisition pro-
9 grams and major automated information system pro-
10 grams;

11 “(6) conduct independent cost estimates and
12 cost analyses for major acquisition programs and
13 major automated information system programs for
14 which the Chief Acquisition Officer is the Milestone
15 Decision Authority—

16 “(A) in advance of—

17 “(i) any certification under this title;
18 and

19 “(ii) any decision to enter into prod-
20 uct or system low-rate initial production,
21 initial pilot implementation, or full-rate
22 production or implementation; and

23 “(B) at any other time considered appro-
24 priate by the Director or upon the request of
25 the Chief Acquisition Officer; and

1 “(7) periodically assess and update the cost in-
 2 dexes used by the Department to ensure that such
 3 indexes have a sound basis and meet the Depart-
 4 ment’s needs for realistic cost estimation.

5 “(f) REVIEW OF COST ESTIMATES, COST ANALYSES,
 6 AND RECORDS OF THE DEPARTMENT.—The Secretary
 7 shall ensure that the Director—

8 “(1) promptly receives the results of all cost es-
 9 timates and cost analyses conducted by the Veterans
 10 Benefits Administration, the Veterans Health Ad-
 11 ministration, the National Cemetery Administration,
 12 or staff offices and all studies conducted by the Ad-
 13 ministration, in connection with such cost estimates
 14 and cost analyses for major acquisition programs
 15 and major automated information system programs
 16 of the Administrations; and

17 “(2) has timely access to any records and data
 18 in the Department (including the records and data
 19 of each Administration that the Director considers
 20 necessary to review in order to carry out any duties
 21 under this section).

22 “(g) PARTICIPATION, CONCURRENCE, AND AP-
 23 PROVAL IN COST ESTIMATION.—The Director may—

24 “(1) participate in the discussion of any dis-
 25 crepancies between an independent cost estimate and

1 the cost estimate assessments of the Veterans Bene-
 2 fits Administration, the Veterans Health Adminis-
 3 tration, the National Cemetery Administration, and
 4 staff offices for a major acquisition program or
 5 major automated information system program of the
 6 Department;

7 “(2) comment on deficiencies in the method-
 8 ology or execution of any cost estimate or cost anal-
 9 ysis developed by the Veterans Benefits Administra-
 10 tion, the Veterans Health Administration, the Na-
 11 tional Cemetery Administration, or staff offices for
 12 a major acquisition program or major automated in-
 13 formation system program;

14 “(3) concur in the choice of a cost estimate
 15 within the baseline description or any other cost esti-
 16 mate (including the confidence level for any such
 17 cost estimate) for use at any event specified in sub-
 18 section (e)(6); and

19 “(4) participate in the consideration of any de-
 20 cision to request authorization of a multi-year pro-
 21 curement contract for a major acquisition program.

22 “(h) ANNUAL REPORT ON COST ASSESSMENT AC-
 23 TIVITIES.—(1) Each year, not later than 10 days after the
 24 transmittal to Congress of the budget of the President for
 25 a fiscal year pursuant to section 1105 of title 31, the Di-

1 rector shall submit to the Secretary, the Chief Acquisition
 2 Officer of the Department, the Assistant Secretary for
 3 Management, the Chief Financial Officer of the Depart-
 4 ment, the Committee on Veterans' Affairs of the Senate
 5 and the Committee on Veterans' Affairs of the House of
 6 Representatives an annual report on the cost estimation
 7 and cost analysis activities of the Department carried out
 8 during the previous year.

9 “(2) Each report submitted pursuant to paragraph
 10 (1) shall include, for the period covered by the report, the
 11 following:

12 “(A) A summary of the cost estimation and
 13 cost analysis activities of the Department.

14 “(B) Assessments of the following:

15 “(i) The progress of the Department in im-
 16 proving the accuracy of its cost estimates and
 17 analyses.

18 “(ii) The extent to which each of the Vet-
 19 erans Benefits Administration, the Veterans
 20 Health Administration, the National Cemetery
 21 Administration, and staff offices have complied
 22 with policies, procedures, and guidance issued
 23 by the Director with regard to the preparation
 24 of cost estimates for major acquisition pro-

1 grams and major automated information sys-
2 tems.

3 “(iii) The overall quality of cost estimates
4 prepared by each of the Administrations for
5 major acquisition programs and major auto-
6 mated information system programs.

7 “(iv) Any consistent differences in method-
8 ology or approach among the cost estimates
9 prepared by the Administrations and the Direc-
10 tor.

11 “(3)(A) The Director shall ensure that a report sub-
12 mitted to paragraph (1) does not include any information,
13 such as proprietary or source selection sensitive informa-
14 tion, that could undermine the integrity of the acquisition
15 process.

16 “(B) The report submitted pursuant to paragraph (1)
17 to the committees described in such paragraph shall be
18 posted on an internet website of the Department that is
19 available to the public.

20 “(4) The Secretary may comment on any report of
21 the Director submitted to the committees described in
22 paragraph (1) pursuant to such paragraph.

23 “(i) STAFF.—The Secretary shall ensure that the Di-
24 rector has sufficient professional staff to enable the Direc-

1 tor to carry out the duties and responsibilities of the Di-
 2 rector under this section.”.

3 (b) REPORT ON MONITORING OF OPERATING AND
 4 SUPPORT COSTS FOR MAJOR ACQUISITION PROGRAMS.—

5 (1) REPORT TO SECRETARY OF VETERANS AF-
 6 FAIRS.—Not later than one year after the date of
 7 the enactment of this Act, the Director of Cost As-
 8 sessment and Program Evaluation established pur-
 9 suant to section 8184 of title 38, United States
 10 Code, as added by subsection (a), shall—

11 (A) review systems and methods of the De-
 12 partment of Veterans Affairs currently in effect
 13 for tracking and assessing operating and sup-
 14 port costs using cost-accounting standards and
 15 procedures, as appropriate, on major acquisition
 16 programs (as defined in section 8181 of such
 17 title, as added by subsection (a)); and

18 (B) submit to the Secretary of Veterans
 19 Affairs a report on such findings and rec-
 20 ommendations as the Director may have as a
 21 result of the review conducted pursuant to sub-
 22 paragraph (A), including an assessment by the
 23 Director of the feasibility and advisability of es-
 24 tablishing baselines for operating and support
 25 costs under such title.

1 (2) TRANSMITTAL TO CONGRESS.—Not later
 2 than 30 days after receiving the report required by
 3 paragraph (1)(A), the Secretary shall submit to the
 4 Committee on Veterans’ Affairs of the Senate and
 5 the Committee on Veterans’ Affairs of the House of
 6 Representatives the report received by the Secretary
 7 under paragraph (1)(B), together with such com-
 8 ments on the report as the Secretary considers ap-
 9 propriate.

10 **SEC. 7. DEPARTMENT OF VETERANS AFFAIRS OTHER**
 11 **TRANSACTION AUTHORITY AND ADVANCE**
 12 **MARKET COMMITMENTS FOR TECHNOLOGIES**
 13 **OR SERVICES FOR PROVISION OF HEALTH**
 14 **CARE.**

15 Subchapter VI of chapter 81 of title 38, United
 16 States Code, as added by section 2 and amended by sec-
 17 tions 3 and 6, is further amended by adding at the end
 18 the following new section:

19 **“§ 8185. Other transaction authority**

20 “(a) AUTHORITY.—The Secretary may enter into
 21 transactions (other than contracts, cooperative agree-
 22 ments, and grants) with nontraditional contractors to
 23 carry out extramural basic or applied research, or innova-
 24 tion development activities. Such authority may be exer-
 25 cised by the Deputy Assistant Secretary for Innovation for

1 activities aligned with the mission of the Veterans Health
2 Administration Innovation Ecosystem.

3 “(b) REQUIREMENTS.—The Secretary may enter into
4 a transaction under subsection (a) to carry out extramural
5 basic or applied research if each of the following criteria
6 are met:

7 “(1) The research is not duplicative of other re-
8 search being conducted by the Department under
9 another program or through a contract, cooperative
10 agreement, or grant.

11 “(2) The senior procurement executive has de-
12 termined that entering into the transaction to carry
13 out the research is appropriate.

14 “(3) The transaction will not exceed \$5,000,000
15 (including all options), unless the senior procure-
16 ment executive determines that exceeding such
17 amount is appropriate.

18 “(4) Not less than 33 percent of the total cost
19 of the research (regardless of the percentage of such
20 total cost for which the transaction is funding) is
21 paid for, or provided through nonmonetary contribu-
22 tions, by sources other than the Federal Govern-
23 ment, unless the senior procurement executive deter-
24 mines that—

1 “(A) meeting such threshold for non-Fed-
 2 eral sources of funding or contributions is not
 3 possible; and

4 “(B) carrying out the research without
 5 meeting such threshold is in the public interest.

6 “(5) In the case of transactions supporting in-
 7 novation development activities described in sub-
 8 section (a), the Deputy Assistant Secretary for Inno-
 9 vation certifies that such activities align with the
 10 goals of improving the delivery of health care for
 11 veterans, operational efficiency, or technology adop-
 12 tion, and do not require approval of the Institutional
 13 Review Board unless involving human subjects re-
 14 search as defined in part 16 of title 38, Code of
 15 Federal Regulations, or successor regulations.

16 “(c) PROVISION OF INFORMATION.—

17 “(1) CONGRESS.—

18 “(A) NOTIFICATION.—Not later than 30
 19 days after the date on which the Secretary en-
 20 ters into a transaction under this section, the
 21 Secretary shall notify the appropriate congres-
 22 sional committees of such transaction, including
 23 a copy of each determination made under sub-
 24 section (b).

1 “(B) BY REQUEST.—Upon the request of
2 an appropriate congressional committee, the
3 Secretary shall submit to the appropriate con-
4 gressional committees a copy of a transaction
5 under this section or performance or financial
6 information relating to such transaction.

7 “(2) COMPTROLLER GENERAL OF THE UNITED
8 STATES.—With respect to transactions entered into
9 under this section, the Secretary shall ensure that,
10 upon request, the Comptroller General of the United
11 States may examine records of any party to the
12 transaction or any entity that participates in the
13 performance of the transaction if such records are
14 generated in the performance of the transaction or
15 are directly related to the transaction.

16 “(d) REGULATIONS.—The Secretary shall prescribe
17 regulations to carry out this section.

18 “(e) TERMINATION.—The authority to enter into
19 transactions under this section shall terminate on the date
20 that is three years after the date of the enactment of the
21 Acquisition Reform and Cost Assessment Act of 2025.

22 “(f) DEFINITIONS.—In this section:

23 “(1) The term ‘appropriate congressional com-
24 mittees’ means—

1 “(A) the Committee on Veterans’ Affairs
2 and the Subcommittees on Military Construc-
3 tion, Veterans’ Affairs, and Related Agencies of
4 the Committees on Appropriations of the Sen-
5 ate; and

6 “(B) the Committee on Veterans’ Affairs
7 and the Subcommittees on Military Construc-
8 tion, Veterans’ Affairs, and Related Agencies of
9 the Committees on Appropriations of the House
10 of Representatives.

11 “(2) The term ‘entity’ means a for-profit cor-
12 poration, partnership, or single proprietorship, non-
13 profit organization, or university organized and hav-
14 ing principal operations in the United States.

15 “(3) The terms ‘extramural budget’, ‘research’,
16 and ‘research and development’ have the meaning
17 given those terms in subsection (e) of section 9 of
18 the Small Business Act (15 U.S.C. 638).

19 “(4) The term ‘innovation development activi-
20 ties’ means efforts to design, test, or implement new
21 technologies, processes, or systems to improve health
22 care delivery, operational efficiency, or veteran out-
23 comes, including prototyping, pilot programs, and
24 technology adoption initiatives, whether or not such
25 efforts meet the definition of ‘research’ under part

1 16 of title 38, Code of Federal Regulations, or suc-
 2 cessor regulations.

3 “(5) The term ‘nontraditional contractor’
 4 means an entity that is not currently performing
 5 and has never performed any contract or sub-
 6 contract for any department or agency of the Fed-
 7 eral Government.

8 “(6) The term ‘senior procurement executive’
 9 means the official of the Department designated
 10 under section 1702(c) of title 41.

11 **“§ 8186. Advance market commitments for tech-**
 12 **nologies or services for provision of**
 13 **health care**

14 “(a) **AUTHORITY.**—The Secretary may enter into an
 15 advance market commitment under which the Secretary
 16 shall guarantee to purchase, for a predetermined price, a
 17 technology or service provided by an entity that addresses
 18 an unmet need in the provision of health care to veterans.

19 “(b) **REQUIREMENTS.**—An advance market commit-
 20 ment entered into under subsection (a) shall include the
 21 following:

22 “(1) Clearly defined and transparent rules.

23 “(2) A clear definition of the technology or
 24 service to be provided, to ensure safety, effective-
 25 ness, and feasible delivery.

1 “(3) Dispute settlement mechanisms.

2 “(4) The ability to modify the terms of the
3 commitment on the basis of new information regard-
4 ing the number of veterans to be served with such
5 technology or service.

6 “(c) REPORT.—Not later than 120 days after exe-
7 cuting an advance market commitment under subsection
8 (a), the Secretary shall submit to the Committee on Vet-
9 erans’ Affairs of the Senate and the Committee on Vet-
10 erans’ Affairs of the House of Representatives a report
11 on the status and efficacy of such commitment.”.

12 **SEC. 8. DEVELOPMENT AND EXPANSION OF AN 1102 IN-**
13 **TERNSHIP OR DEVELOPMENT PIPELINE.**

14 The Secretary of Veterans Affairs shall monitor the
15 training and experience gap of professionals and establish
16 or expand any existing internship or development pipelines
17 for 1102 contracting officers of the Department.

18 **SEC. 9. CLERICAL AMENDMENT.**

19 The table of sections at the beginning of chapter 81
20 of title 38, United States Code, is amended by adding at
21 the end the following:

“SUBCHAPTER VII—ACQUISITION REVIEW, COST ASSESSMENT, AND PROGRAM
EVALUATION

“8181. Definitions.

“8182. Acquisition reorganization.

“8183. Major acquisition program managers.

“8184. Cost assessment and program evaluation.

“8185. Other transaction authority.

“8186. Advance market commitments for technologies or services for provision of health care.”.

