

105TH CONGRESS
1ST SESSION

H. R. 1850

To require the Secretary of Defense to plan and carry out pilot projects to test various “best business practices” for defense inventory management.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1997

Mrs. MALONEY of New York (for herself, Mr. DEFazio, Mr. BARRETT of Wisconsin, Ms. SLAUGHTER, Ms. MCKINNEY, Mr. JACKSON of Illinois, Mr. MCGOVERN, Ms. NORTON, and Mr. ROTHMAN) introduced the following bill; which was referred to the Committee on National Security

A BILL

To require the Secretary of Defense to plan and carry out pilot projects to test various “best business practices” for defense inventory management.

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. PILOT PROJECTS TO TEST “BEST BUSINESS**
4 **PRACTICES” FOR DEFENSE INVENTORY MAN-**
5 **AGEMENT.**

6 (a) REQUIREMENT To CONDUCT PILOT
7 PROJECTS.—The Secretary of Defense shall conduct pilot
8 projects for the purpose of testing various techniques to
9 improve the inventory management of the Department of

1 Defense. The Secretary shall conduct the projects in ac-
2 cordance with the plan developed under subsection (b) and
3 shall begin implementation of the projects not later than
4 October 1, 1998.

5 (b) PLAN.—The Secretary of Defense shall develop
6 a plan for carrying out the pilot projects. The plan shall
7 contain specific goals, including a schedule, for improving
8 inventory management, and shall provide for the following
9 pilot projects:

10 (1) A pilot project to be carried out by each
11 military department to test in an integrated manner
12 (where feasible) the following techniques for depot-
13 level maintenance and repair workloads at one
14 depot-level activity of the department:

15 (A) The use of cellular manufacturing
16 techniques, which involves bringing all the re-
17 sources (including mechanics, equipment, sup-
18 port personnel, and inventory) needed to com-
19 plete repairs to one location.

20 (B) The elimination of excess spare parts
21 inventory and the rapid initiation of repair ac-
22 tions.

23 (C) The use of private entities for logistics
24 services such as warehousing, distribution, and
25 delivery of spare parts.

1 (2) A pilot project to be carried out at each
2 military department to test, with respect to hard-
3 ware items (such as bolts, valves, and fuses), the use
4 of innovative supplier partnerships that give a sup-
5 plier the responsibility to manage, store, and distrib-
6 ute inventory on a frequent, regular basis (some-
7 times referred to as a “prime vendor” technique).

8 (c) ACCESS BY COMPTROLLER GENERAL.—The Sec-
9 retary of Defense shall provide representatives of the
10 Comptroller General with access to information available
11 during the development of the plan under subsection (b).

12 (d) SUBMISSION OF PLAN TO CONGRESS.—Not later
13 than 180 days after the date of the enactment of this Act,
14 the Secretary of Defense—

15 (1) shall submit the plan developed under sub-
16 section (b) to the Committees on Government Re-
17 form and Oversight and on National Security of the
18 House of Representatives and the Committees on
19 Governmental Affairs and on Armed Services of the
20 Senate; and

21 (2) shall provide a copy of the plan to the
22 Comptroller General.

23 (e) ASSESSMENT BY COMPTROLLER GENERAL.—Not
24 later than 60 days after receipt of the plan, the Comptrol-
25 ler General shall transmit to the committees referred to

1 in subsection (d)(1) an assessment of the plan, including
2 such recommendations as the Comptroller General consid-
3 ers appropriate.

4 (f) REPORTS ON RESULTS OF PROJECTS.—Not later
5 than six months after the pilot projects begin to be imple-
6 mented, the Secretary of Defense shall submit to the com-
7 mittees referred to in subsection (d)(1) a progress report
8 on the pilot projects. Not later than one year after the
9 pilot projects begin to be implemented, the Secretary of
10 Defense shall submit to such committees a final report on
11 the pilot projects. Both the progress report and the final
12 report shall include—

13 (1) an estimate of cost savings and other bene-
14 fits achieved by each pilot project;

15 (2) an analysis of the feasibility of using the
16 techniques demonstrated in each pilot project
17 throughout the Department of Defense; and

18 (3) such recommendations as the Secretary of
19 Defense considers appropriate.

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