

114TH CONGRESS
2D SESSION

S. 2516

To revitalize Army arsenals, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 9, 2016

Mr. KIRK (for himself, Mr. DURBIN, Mr. GRASSLEY, and Mrs. ERNST) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To revitalize Army arsenals, 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.**

4 This Act may be cited as the “Army Arsenal Revital-
5 ization Act of 2016”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) CONGRESSIONAL DEFENSE COMMITTEES.—

9 The term “congressional defense committees” has
10 the meaning given that term in section 101(a)(16)
11 of title 10, United States Code.

1 (2) LEGACY ITEMS.—The term “legacy items”
2 means manufactured items that are no longer pro-
3 duced by the private sector but continue to be used
4 for Department of Defense weapons systems, exclud-
5 ing information technology and information systems
6 (as those terms are defined in section 11101 of title
7 40, United States Code).

8 (3) ORGANIC INDUSTRIAL BASE.—The term
9 “organic industrial base” means United States mili-
10 tary facilities that advance a vital national security
11 interest by producing necessary materials, muni-
12 tions, and hardware, including arsenals and depots.

13 **SEC. 3. USE OF ARSENALS TO MANUFACTURE CERTAIN**
14 **ITEMS.**

15 (a) PRODUCTION OF LEGACY ITEMS.—

16 (1) REPORT.—Not later than 180 days after
17 the date of the enactment of this Act, the Director
18 of the Defense Logistics Agency shall submit to the
19 congressional defense committees a report listing all
20 legacy items used by the Department of Defense
21 with a contract value equal to or greater than
22 \$5,000,000.

23 (2) PRODUCTION REQUIREMENT.—The Sec-
24 retary of Defense shall use Army arsenals for the

1 production of all legacy items identified in the report
2 submitted under paragraph (1).

3 (b) USE OF SOLE SOURCE CONTRACTS FOR CERTAIN
4 ITEMS.—

5 (1) REPORT.—Not later than one year after the
6 date of the enactment of this Act, the Secretary of
7 Defense shall submit to the congressional defense
8 committees a report listing all sole source contracts
9 for the procurement of manufactured items the lack
10 of which would constitute a critical national security
11 issue for the Department of Defense.

12 (2) COMPETITION REQUIREMENT.—The Sec-
13 retary of Defense shall establish Army arsenals as a
14 second source for production of any manufactured
15 item included in the report submitted under para-
16 graph (1).

17 (c) REPORT ON EQUIPMENT PURCHASED UNDER
18 DOMESTIC SOLE SOURCE CONTRACTS.—

19 (1) REPORT.—Not later than March 30, 2017,
20 the Secretary of Defense shall submit to the con-
21 gressional defense committees a report containing a
22 list of each contract awarded by the Department of
23 Defense during fiscal years 2011 through 2015
24 using procedures other than competitive procedures
25 for the procurement of equipment, weapons, weap-

ons systems, components, subcomponents, or end-items with a contract value equal to or greater than \$3,000,000.

(2) ELEMENTS.—The report under paragraph (1) shall include, for each contract listed, the following information:

(A) An identification of the items purchased under the contract.

(B) The rationale for using an exception or waiver to award the contracts using procedures other than competitive procedures.

(C) A list of potential alternative manufacturing sources from the public and private sector that could be developed to establish competition for those items.

**SEC. 4. USE OF ORGANIC INDUSTRIAL BASE TO ADDRESS
DIMINISHING MANUFACTURING SOURCES
AND MATERIAL SHORTAGES.**

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report detailing plans to update and improve its guidance and practices on Diminishing Manufacturing Sources and Material Shortages (DMSMS), including through the use

1 of the organic industrial base as a resource in the imple-
2 mentation of a DMSMS management plan.

3 (b) GUIDANCE REGARDING USE OF ORGANIC INDUS-
4 TRIAL BASE.—The Secretary of the Army shall maintain
5 the arsenals with sufficient workloads to ensure afford-
6 ability and technical competence in all critical capability
7 areas by establishing, not later than March 30, 2017,
8 clear, step-by-step, prescriptive guidance on the process
9 for conducting make-or-buy analyses, including the use of
10 the organic industrial base.

11 (c) IDENTIFICATION OF ARMY ARSENAL CRITICAL
12 CAPABILITIES AND MINIMUM WORKLOADS.—

13 (1) REPORT.—Not later than 180 days after
14 the date of the enactment of this Act, the Secretary
15 of Defense shall submit to the congressional defense
16 committees a report that—

17 (A) includes a standardized, consistent
18 method to use for identifying the critical capa-
19 bilities and minimum workloads of the Army ar-
20 senals;

21 (B) provides analysis on the critical capa-
22 bilities and minimum workloads for each of the
23 manufacturing arsenals; and

24 (C) identifies fundamental elements, such
25 as steps, milestones, timeframes, and resources

1 for implementing the United States Army Or-
2 ganic Industrial Base Strategic Plan 2012–
3 2022.

4 (2) GUIDANCE.—Not later than one year after
5 the date of the enactment of this Act, the Secretary
6 of Defense shall issue guidance to implement the
7 process for identifying the critical capabilities of the
8 Army’s manufacturing arsenals and the method for
9 determining the minimum workload needed to sus-
10 tain these capabilities.

11 **SEC. 5. AUTHORITY TO ADJUST LABOR RATES TO REFLECT**
12 **WORK PRODUCTION.**

13 (a) PILOT PROGRAM.—Not later than 90 days after
14 the date of the enactment of this Act, the Secretary of
15 Defense shall establish a three-year pilot program for the
16 purpose of permitting Army arsenals to adjust their labor
17 rates periodically throughout the year based upon changes
18 in workload and other factors.

19 (b) ANNUAL REPORT.—Not later than one year after
20 the date of the enactment of this Act, and annually there-
21 after, the Secretary of Defense shall submit to the con-
22 gressional defense committees a report that assesses—

23 (1) each Army arsenal’s changes in labor rates
24 throughout the previous year;

- 1 (2) the ability of each arsenal to meet the costs
- 2 of their working capital funds; and
- 3 (3) the effect on arsenal workloads of labor rate
- 4 changes.

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