

struck out item 2471 “Persons outside the Department of Defense: lease of excess depot-level equipment and facilities by”.

1999—Pub. L. 106-65, div. A, title III, §342(b)(2), Oct. 5, 1999, 113 Stat. 569, added item 2467 and struck former item 2467 “Cost comparisons: requirements with respect to retirement costs and consultation with employees”.

1997—Pub. L. 105-85, div. A, title III, §§355(c)(1), 356(b), 359(a)(2), 361(a)(2), 385(b), Nov. 18, 1997, 111 Stat. 1694, 1695, 1699, 1701, 1712, added item 2460, substituted “Collection and retention of cost information data on converted services and functions” for “Reports on savings or costs from increased use of DOD civilian personnel” in item 2463 and “capabilities” for “functions” in item 2464, and added items 2469a and 2474.

1996—Pub. L. 104-201, div. A, title VIII, §832(b), Sept. 23, 1996, 110 Stat. 2616, added item 2473.

Pub. L. 104-106, div. A, title III, §312(d), Feb. 10, 1996, 110 Stat. 251, added item 2472.

Pub. L. 104-106, div. A, title III, §311(f)(2), Feb. 10, 1996, 110 Stat. 248, which directed striking out items 2466 and 2469, was repealed by Pub. L. 105-85, div. A, title III, §363, Nov. 18, 1997, 111 Stat. 1702.

1994—Pub. L. 103-337, div. A, title III, §§335(b), 336(b), Oct. 5, 1994, 108 Stat. 2717, added items 2470 and 2471.

1992—Pub. L. 102-484, div. A, title III, §353(b), Oct. 23, 1992, 106 Stat. 2379, added item 2469.

1991—Pub. L. 102-190, div. A, title III, §314(a)(2), Dec. 5, 1991, 105 Stat. 1337, substituted “Limitations on the performance of depot-level maintenance of materiel” for “Prohibition on certain depot maintenance workload competitions” in item 2466.

1989—Pub. L. 101-189, div. A, title XI, §1131(a)(2), Nov. 29, 1989, 103 Stat. 1561, added item 2468.

1988—Pub. L. 100-456, div. A, title III, §§326(b), 331(b), Sept. 29, 1988, 102 Stat. 1956, 1958, added items 2466 and 2467.

§ 2460. Definition of depot-level maintenance and repair

(a) IN GENERAL.—In this chapter, the term “depot-level maintenance and repair” means (except as provided in subsection (b)) material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair or the location at which the maintenance or repair is performed. The term includes (1) all aspects of software maintenance classified by the Department of Defense as of July 1, 1995, as depot-level maintenance and repair, and (2) interim contractor support or contractor logistics support (or any similar contractor support), to the extent that such support is for the performance of services described in the preceding sentence.

(b) EXCEPTIONS.—(1) The term does not include the procurement of major modifications or upgrades of weapon systems that are designed to improve program performance or the nuclear refueling or defueling of an aircraft carrier and any concurrent complex overhaul. A major upgrade program covered by this exception could continue to be performed by private or public sector activities.

(2) The term also does not include the procurement of parts for safety modifications. However, the term does include the installation of parts for that purpose.

(Added and amended Pub. L. 112-239, div. A, title III, §322(b)(1), (c), Jan. 2, 2013, 126 Stat. 1694, 1695.)

Editorial Notes

CODIFICATION

Section 322(b)(1) of Pub. L. 112-239, cited as a credit to this section, revived section 2460 of this title as in effect the day before the date of the enactment of Pub. L. 112-81, Dec. 31, 2011. See Prior Provisions note below.

PRIOR PROVISIONS

A prior section 2460, added Pub. L. 105-85, div. A, title III, §355(a), Nov. 18, 1997, 111 Stat. 1693; amended Pub. L. 105-261, div. A, title III, §341, Oct. 17, 1998, 112 Stat. 1973; Pub. L. 112-81, div. A, title III, §321, Dec. 31, 2011, 125 Stat. 1361, defined “depot-level maintenance and repair” for this chapter prior to repeal by Pub. L. 112-239, div. A, title III, §322(a)(1), Jan. 2, 2013, 126 Stat. 1694.

AMENDMENTS

2013—Subsec. (b)(1). Pub. L. 112-239, §322(c), substituted “or the nuclear refueling or defueling of an aircraft carrier and any concurrent complex overhaul” for “or the nuclear refueling of an aircraft carrier”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section and amendment by Pub. L. 112-239 effective Dec. 31, 2011, immediately after enactment of Pub. L. 112-81, see section 322(f) of Pub. L. 112-239, set out as an Effective Date of 2013 Amendment note under section 4251 of this title.

REQUIREMENT FOR MILITARY DEPARTMENT INTER-SERVICE DEPOT MAINTENANCE

Pub. L. 116-92, div. A, title III, §358, Dec. 20, 2019, 133 Stat. 1323, provided that:

“(a) JOINT PROCESS FOR TECHNICAL COMPLIANCE AND QUALITY CONTROL.—If the Secretary of a military department transfers any maintenance action on a platform to a depot under the jurisdiction of the Secretary of another military department, the two Secretaries shall develop and implement a process to ensure the technical compliance and quality control for the work performed.

“(b) REQUIREMENTS.—A process developed under subsection (a) shall include the following requirements—

“(1) The Secretary of the military department with jurisdiction over the depot to which the maintenance action is transferred shall—

“(A) ensure that the technical specifications, requirements, and standards for work to be performed are provided to such action or depot; and

“(B) implement procedures to ensure that completed work complies with such specifications, requirements and standards.

“(2) The Secretary who transfers the maintenance activity or depot shall ensure that—

“(A) the technical specifications and requirements are clearly understood; and

“(B) the work performed is completed to the technical specifications, requirements, and standards prescribed under paragraph (1), and that the Secretary of the military department with jurisdiction over the depot is informed of any shortcoming or discrepancy.

“(c) REPORTS.—Not later than 180 days after the date of the enactment of this Act [Dec. 20, 2019], the Under Secretary of Defense for Acquisition and Sustainment shall submit to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] a report containing a certification that sufficient policy and procedures are in place to ensure quality control when the depot or maintenance activities of one military department support another. The report shall include a description of known shortfalls in existing policies and procedures and actions the Department of Defense is taking to address such shortfalls.”

§ 2461. Public-private competition required before conversion to contractor performance

(a) PUBLIC-PRIVATE COMPETITION.—(1) No function of the Department of Defense performed by Department of Defense civilian employees may be converted, in whole or in part, to performance by a contractor unless the conversion is based on the results of a public-private competition that—

(A) formally compares the cost of performance of the function by Department of Defense civilian employees with the cost of performance by a contractor;

(B) creates an agency tender, including a most efficient organization plan, in accordance with Office of Management and Budget Circular A-76, as implemented on May 29, 2003, or any successor circular;

(C) includes the issuance of a solicitation;

(D) determines whether the submitted offers meet the needs of the Department of Defense with respect to factors other than cost, including quality, reliability, and timeliness;

(E) examines the cost of performance of the function by Department of Defense civilian employees and the cost of performance of the function by one or more contractors to demonstrate whether converting to performance by a contractor will result in savings to the Government over the life of the contract, including—

(i) the estimated cost to the Government (based on offers received) for performance of the function by a contractor;

(ii) the estimated cost to the Government for performance of the function by Department of Defense civilian employees; and

(iii) an estimate of all other costs and expenditures that the Government would incur because of the award of such a contract;

(F) requires continued performance of the function by Department of Defense civilian employees unless the difference in the cost of performance of the function by a contractor compared to the cost of performance of the function by Department of Defense civilian employees would, over all performance periods required by the solicitation, be equal to or exceed the lesser of—

(i) 10 percent of the personnel-related costs for performance of that function in the agency tender; or

(ii) \$10,000,000;

(G) requires that the contractor shall not receive an advantage for a proposal that would reduce costs for the Department of Defense by—

(i) not making an employer-sponsored health insurance plan (or payment that could be used in lieu of such a plan), health savings account, or medical savings account available to the workers who are to be employed to perform the function under the contract;

(ii) offering to such workers an employer-sponsored health benefits plan that requires the employer to contribute less towards the premium or subscription share than the amount that is paid by the Department of Defense for health benefits for civilian em-

ployees of the Department under chapter 89 of title 5; or

(iii) offering to such workers a retirement benefit that, in any year, costs less than the annual retirement cost factor applicable to civilian employees of the Department of Defense under chapter 84 of title 5; and

(H) examines the effect of performance of the function by a contractor on the military mission associated with the performance of the function.

(2) A function that is performed by the Department of Defense and is reengineered, reorganized, modernized, upgraded, expanded, or changed to become more efficient, but still essentially provides the same service, shall not be considered a new requirement.

(3) In no case may a function being performed by Department of Defense personnel be—

(A) modified, reorganized, divided, or in any way changed for the purpose of exempting the conversion of the function from the requirements of this section; or

(B) converted to performance by a contractor to circumvent a civilian personnel ceiling.

(4) A military department or Defense Agency may not be required to conduct a public-private competition under Office of Management and Budget Circular A-76 or any other provision of law at the end of the performance period specified in a letter of obligation or other agreement entered into with Department of Defense civilian employees pursuant to a public-private competition for any function of the Department of Defense performed by Department of Defense civilian employees.

(5)(A) Except as provided in subparagraph (B), the duration of a public-private competition conducted pursuant to Office of Management and Budget Circular A-76 or any other provision of law for any function of the Department of Defense performed by Department of Defense civilian employees may not exceed a period of 24 months, commencing on the date on which the preliminary planning for the public-private competition begins and ending on the date on which a performance decision is rendered with respect to the function.

(B)(i) The Secretary of Defense may specify an alternative period of time for a public-private competition, which may not exceed 33 months, if the Secretary—

(I) determines that the competition is of such complexity that it cannot be completed within 24 months; and

(II) submits to Congress, as part of the formal congressional notification of a public-private competition pursuant to subsection (c), written notification that explains the basis of such determination.

(ii) The notification under clause (i)(II) shall also address each of the following:

(I) Any efforts of the Secretary to break up the study geographically or functionally.

(II) The Secretary's justification for undertaking a public-private competition instead of using internal reengineering alternatives.

(III) The cost savings that the Secretary expects to achieve as a result of the public-private competition.