

Statutory Notes and Related Subsidiaries**DEADLINE FOR FIRST ANNUAL REPORT**

Pub. L. 110-387, title VII, § 708(b), Oct. 10, 2008, 122 Stat. 4140, provided that: "The Secretary of Veterans Affairs shall submit the first report required under section 8119(a) of title 38, United States Code, as added by subsection (a), by not later than 90 days after the date of the enactment of this Act [Oct. 10, 2008]."

§ 8120. Quarterly report on super construction projects

(a) **QUARTERLY REPORTS REQUIRED.**—Not later than 30 days after the last day of each fiscal quarter the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the super construction projects carried out by the appropriate non-Department Federal entity described in section 8103(e)(1) of this title during such quarter. Each such report shall include, for each such project—

(1) the budgetary and scheduling status of the project, as of the last day of the quarter covered by the report; and

(2) the actual cost and schedule variances of the project, as of such day, compared to the planned cost and schedules for the project.

(b) **SUPER CONSTRUCTION PROJECT DEFINED.**—In this section, the term "super construction project" has the meaning given such term in section 8103(e)(3) of this title.

(Added Pub. L. 114-315, title VIII, § 801(d)(1), Dec. 16, 2016, 130 Stat. 1591.)

SUBCHAPTER II—PROCUREMENT AND SUPPLY**§ 8121. Revolving supply fund**

(a) The revolving supply fund established for the operation and maintenance of a supply system for the Department (including procurement of supplies, equipment, and personal services and the repair and reclamation of used, spent, or excess personal property) shall be—

(1) available without fiscal year limitations for all expenses necessary for the operation and maintenance of such supply system;

(2) reimbursed from appropriations for the cost of all services, equipment, and supplies furnished, at rates determined by the Secretary on the basis of estimated or actual direct cost (which may be based on the cost of recent significant purchases of the equipment or supply item involved) and indirect cost; and

(3) credited with advances from appropriations for activities to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund, including property returned to the supply system when no longer required by activities to which it had been furnished, the proceeds of disposal of scrap, excess or surplus personal property of the fund, and receipts from carriers and others for loss of or damage to personal property.

(b) The Secretary may authorize the Secretary of Defense to make purchases through the fund in the same manner as activities of the Department. When services, equipment, or supplies are

furnished to the Secretary of Defense through the fund, the reimbursement required by paragraph (2) of subsection (a) shall be made from appropriations made to the Department of Defense, and when services or supplies are to be furnished to the Department of Defense, the fund may be credited, as provided in paragraph (3) of subsection (a), with advances from appropriations available to the Department of Defense.

(c) At the end of each fiscal year, there shall be covered into the Treasury of the United States as miscellaneous receipts such amounts as the Secretary determines to be in excess of the requirements necessary for the maintenance of adequate inventory levels and for the effective financial management of the revolving supply fund.

(d) An adequate system of accounts for the fund shall be maintained on the accrual method, and financial reports prepared on the basis of such accounts. An annual business type budget shall be prepared for operations under the fund.

(e) The Secretary is authorized to capitalize, at fair and reasonable values as determined by the Secretary, all supplies and materials and depot stocks of equipment on hand or on order.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1253, § 5011; amended Pub. L. 87-314, Sept. 26, 1961, 75 Stat. 675; Pub. L. 94-581, title II, § 210(e)(6), Oct. 21, 1976, 90 Stat. 2865; renumbered § 5021, Pub. L. 96-22, title III, § 301(b)(1), June 13, 1979, 93 Stat. 61; Pub. L. 96-330, title IV, § 402(a), Aug. 26, 1980, 94 Stat. 1051; renumbered § 8121, Pub. L. 102-40, title IV, § 402(b)(1), May 7, 1991, 105 Stat. 238; Pub. L. 102-83, § 4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 108-170, title IV, § 403(a), Dec. 6, 2003, 117 Stat. 2062.)

Editorial Notes**AMENDMENTS**

2003—Pub. L. 108-170 redesignated last sentence of subsec. (a) as subsec. (c), added subsec. (b), and redesignated former subsecs. (b) and (c) as (d) and (e), respectively.

1991—Pub. L. 102-40 renumbered section 5021 of this title as this section.

Subsec. (a). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in par. (2) and in last sentence.

Pub. L. 102-83, § 4(a)(3), (4), substituted "Department" for "Veterans' Administration" in introductory provisions.

Subsec. (c). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

1980—Subsec. (a). Pub. L. 96-330 substituted "actual direct cost (which may be based on the cost of recent significant purchases of the equipment or supply item involved)" for "actual direct" in par. (2), and, in provisions following par. (3), substituted "At the end of each fiscal year, there shall be covered into the Treasury of the United States as miscellaneous receipts such amounts as the Administrator determines to be in excess of the requirements necessary for the maintenance of adequate inventory levels and for the effective financial management of the revolving supply fund" for "At the end of each fiscal year, any net income of the fund, after making provision for prior losses, shall be covered into the Treasury of the United States as miscellaneous receipts".

1976—Subsec. (c). Pub. L. 94-581 substituted "the Administrator" for "him".

1961—Subsec. (a). Pub. L. 87-314 included among the purposes for which the supply fund was established, the

repair and reclamation of used, spent, or excess personal property, and authorized the crediting of the fund with property returned to the supply system when no longer required by activities to which it had been furnished.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-170, title IV, § 403(b), Dec. 6, 2003, 117 Stat. 2062, provided that: "The amendments made by subsection (a) [amending this section] shall apply only with respect to funds appropriated for a fiscal year after fiscal year 2003."

EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-330, title IV, § 402(b), Aug. 26, 1980, 94 Stat. 1051, provided that: "The amendments made by subsection (a) [amending this section] shall take effect as of October 1, 1979."

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-581 effective Oct. 21, 1976, see section 211 of Pub. L. 94-581, set out as a note under section 111 of this title.

DEPARTMENT OF VETERANS AFFAIRS SUPPLY CHAIN RESILIENCY

Pub. L. 117-328, div. U, title IV, § 401, Dec. 29, 2022, 136 Stat. 5482, provided that:

"(a) REPORT ON CRITICAL ITEMS AND REQUIREMENTS.—Not later than 90 days after the date of the enactment of this Act [Dec. 29, 2022], the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report containing each of the following:

"(1) A description of the items and types of items the Secretary considers critical with respect to—

"(A) the ongoing response to the Coronavirus 2019 (COVID-19) pandemic; and

"(B) future epidemic, pandemic, emergency, national emergency, or natural disaster scenarios.

"(2) The quantities of the items described in paragraph (1) that are available, as of the date of the enactment of this Act, in inventories, emergency caches, or other emergency inventories of the Department of Veterans Affairs.

"(3) The anticipated quantities of the items described in paragraph (1) that would be necessary under potential epidemic, pandemic, emergency, national emergency, or natural disaster scenarios the Secretary determines to be relevant for planning purposes.

"(4) The assumptions and key planning factors used by the Secretary to identify the items, types of items, and necessary quantities of items for types of scenarios, as described in paragraphs (1) and (3).

"(b) PARTICIPATION IN WARSTOPPER PROGRAM.—

"(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act [Dec. 29, 2022], the Secretary of Veterans Affairs and the Secretary of Defense shall enter into an agreement to provide for the participation of the Department of Veterans Affairs in the program known as the 'Warstopper Program' of the Defense Logistics Agency, or any successor program.

"(2) REQUIREMENTS.—Pursuant to the agreement under paragraph (1), the Defense Logistics Agency shall—

"(A) ensure the maintenance and stability of the items that are identified as critical in the report required under subsection (a) and that the Secretary of Defense determines are appropriate for the Warstopper Program;

"(B) establish guidance for the participation of the Department of Veterans Affairs in the Warstopper Program that includes an identification of the items and types of items that are critical to

the needs of the Department of Veterans Affairs; and

"(C) use existing contracts and agreements and enter into new contracts and agreements, as necessary, with manufacturers and distributors to reserve the supply of such critical items rather than rely on holding physical inventories of such items.

"(c) REIMBURSEMENT.—The Secretary of Veterans Affairs shall reimburse the Secretary of Defense for any expenses or obligations incurred to facilitate the participation of the Department of Veterans Affairs in the Warstopper Program pursuant to subsection (b).

"(d) PROHIBITION ON EXCLUSIVE RELIANCE ON REGIONAL INVENTORIES.—The Secretary of Veterans Affairs shall ensure that the Department does not exclusively rely on holding regional, physical inventories of critical items in order to respond to greater than expected needs for such items during epidemic, pandemic, emergency, national emergency, or natural disaster situations.

"(e) REPORT ON IMPLEMENTATION.—

"(1) IN GENERAL.—Not later than 450 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the implementation of this section.

"(2) CONTENTS.—The report submitted under paragraph (1) shall contain each of the following:

"(A) An implementation plan for the participation of the Department of Veterans Affairs in the Warstopper Program, including milestones and timelines for related administrative, contracting, and readiness activities.

"(B) For each of the items and associated quantities identified in paragraphs (1) and (3) of subsection (a)—

"(i) the method by which the Secretary of Veterans Affairs plans to ensure the Department continues to have access to adequate quantities of such items and types of items, including in the Warstopper Program, in regional, physical inventories, or other methods; and

"(ii) justifications for the method or methods identified under clause (i).

"(3) UPDATES TO REPORT.—The Secretary shall update the report required under paragraph (1) on an annual basis for each of the two years following the submission of the report under such paragraph and submit such updates to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives."

§ 8122. Authority to procure and dispose of property and to negotiate for common services

(a)(1) The Secretary may lease for a term not exceeding three years lands or buildings, or parts or parcels thereof, belonging to the United States and under the Secretary's control. Any lease made pursuant to this subsection to any public or nonprofit organization may be made without regard to the provisions of section 6101(b) to (d) of title 41. Notwithstanding section 1302 of title 40, or any other provision of law, a lease made pursuant to this subsection to any public or nonprofit organization may provide for the maintenance, protection, or restoration, by the lessee, of the property leased, as a part or all of the consideration for the lease. Prior to the execution of any such lease, the Secretary shall give appropriate public notice of the Secretary's intention to do so in the newspaper of the community in which the lands or buildings to be leased are located. The proceeds from such leases, less expenses for maintenance, operation, and repair of buildings leased for living quar-