

113TH CONGRESS  
1ST SESSION

# H. R. 3184

To provide for auditable financial statements for the Department of Defense,  
and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2013

Mr. COFFMAN (for himself and Mr. COOPER) introduced the following bill;  
which was referred to the Committee on Armed Services

---

## A BILL

To provide for auditable financial statements for the  
Department of Defense, 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 “Audit the Pentagon  
5 Act of 2013”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) Section 9 of Article I of the Constitution of  
9 the United States requires all agencies of the Fed-  
10 eral Government, including the Department of De-

1 fense, to publish “a regular statement and account  
2 of the receipts and expenditures of all public  
3 money”.

4 (2) Section 3515 of title 31, United States  
5 Code, requires the agencies of the Federal Govern-  
6 ment, including the Department of Defense, to  
7 present auditable financial statements beginning not  
8 later than March 1, 1997. The Department has not  
9 complied with this law.

10 (3) The Federal Financial Management Im-  
11 provement Act of 1996 (31 U.S.C. 3512 note) re-  
12 quires financial systems acquired by the Federal  
13 Government, including the Department of Defense,  
14 to be able to provide information to leaders to man-  
15 age and control the cost of Government. The De-  
16 partment has not complied with this law.

17 (4) The financial management of the Depart-  
18 ment of Defense has been on the “High-Risk” list  
19 of the Government Accountability Office, which  
20 means that the Department is not consistently able  
21 to “control costs; ensure basic accountability; antici-  
22 pate future costs and claims on the budget; measure  
23 performance; maintain funds control; [and] prevent  
24 and detect fraud, waste, and abuse”.

1           (5) The National Defense Authorization Act for  
2 Fiscal Year 2002 (Public Law 107–107) requires  
3 the Secretary of Defense to report to Congress an-  
4 nually on the reliability of the financial statements  
5 of the Department of Defense, to minimize resources  
6 spent on producing unreliable financial statements,  
7 and to use resources saved to improve financial man-  
8 agement policies, procedures, and internal controls.

9           (6) In 2005, the Department of Defense cre-  
10 ated a Financial Improvement and Audit Readiness  
11 (FIAR) Plan, overseen by a directorate within the  
12 office of the Under Secretary of Defense (Comp-  
13 troller), to improve Department business processes  
14 with the goal of producing timely, reliable, and accu-  
15 rate financial information that could generate an  
16 audit-ready annual financial statement. In December  
17 2005, that directorate, known as the FIAR Direc-  
18 torate, issued the first of a series of semiannual re-  
19 ports on the status of the Financial Improvement  
20 and Audit Readiness Plan.

21           (7) The National Defense Authorization Act for  
22 Fiscal Year 2010 (Public Law 111–84) requires reg-  
23 ular status reports on the Financial Improvement  
24 and Audit Readiness Plan described in paragraph  
25 (6), and codified as a statutory requirement the goal

1 of the Plan in ensuring that Department of Defense  
2 financial statements are validated as ready for audit  
3 not later than September 30, 2017. In addition, the  
4 National Defense Authorization Act for Fiscal Year  
5 2013 (Public Law 112–239) requires that the state-  
6 ment of budgetary resources of the Department of  
7 Defense be validated as ready for audit by not later  
8 than September 30, 2014.

9 (8) At a September 2010 hearing of the Senate,  
10 the Government Accountability Office stated that  
11 past expenditures by the Department of Defense of  
12 \$5,800,000,000 to improve financial information,  
13 and billions of dollars more of anticipated expendi-  
14 tures on new information technology systems for  
15 that purpose, may not suffice to achieve full audit  
16 readiness of the financial statements of the Depart-  
17 ment. At that hearing, the Government Account-  
18 ability Office could not predict when the Department  
19 would achieve full audit readiness of such state-  
20 ments.

21 **SEC. 3. CESSATION OF APPLICABILITY OF REPORTING RE-**  
22 **QUIREMENTS REGARDING THE FINANCIAL**  
23 **STATEMENTS OF THE DEPARTMENT OF DE-**  
24 **FENSE.**

25 (a) CESSATION OF APPLICABILITY.—

1           (1) MILITARY DEPARTMENTS.—The financial  
2 statements of a military department shall cease to  
3 be covered by the reporting requirements specified in  
4 subsection (b) upon the issuance of an unqualified  
5 audit opinion on such financial statements.

6           (2) DEPARTMENT OF DEFENSE.—The reporting  
7 requirements specified in subsection (b) shall cease  
8 to be effective when an unqualified audit opinion is  
9 issued on the financial statements of the Depart-  
10 ment of Defense, including each of the military de-  
11 partments and the other reporting entities defined  
12 by the Office of Management and Budget.

13          (b) REPORTING REQUIREMENTS.—The reporting re-  
14 quirements specified in this subsection are the following:

15           (1) The requirement for annual reports in sec-  
16 tion 892(b) of the Ike Skelton National Defense Au-  
17 thorization Act for Fiscal Year 2011 (Public Law  
18 111–383; 124 Stat. 4311; 10 U.S.C. 2306a note).

19           (2) The requirement for semi-annual reports in  
20 section 1003(b) of the National Defense Authoriza-  
21 tion Act for Fiscal Year 2010 (Public Law 111–84;  
22 123 Stat. 2440; 10 U.S.C. 2222 note).

23           (3) The requirement for annual reports in sec-  
24 tion 817(d) of the Bob Stump National Defense Au-

1       thorization Act for Fiscal Year 2003 (10 U.S.C.  
2       2306a note).

3             (4) The requirement for annual reports in sec-  
4       tion 1008(a) of the National Defense Authorization  
5       Act for Fiscal Year 2002 (Public Law 107–107; 115  
6       Stat. 1204; 10 U.S.C. 113 note).

7             (5) The requirement for periodic reports in sec-  
8       tion 908(b) of the Defense Acquisition Improvement  
9       Act of 1986 (Public Law 99–500; 100 Stat. 1783–  
10       140; 10 U.S.C. 2326 note) and duplicate require-  
11       ments as provided for in section 6 of the Defense  
12       Technical Corrections Act of 1987 (Public Law 100–  
13       26; 101 Stat. 274; 10 U.S.C. 2302 note).

14 **SEC. 4. ENHANCED REPROGRAMMING AUTHORITY FOL-**  
15                   **LOWING ACHIEVEMENT BY DEPARTMENT OF**  
16                   **DEFENSE AND MILITARY DEPARTMENTS OF**  
17                   **AUDIT WITH UNQUALIFIED OPINION OF**  
18                   **STATEMENT OF BUDGETARY RESOURCES**  
19                   **FOR FISCAL YEARS AFTER FISCAL YEAR 2014.**

20       (a) DEPARTMENT OF DEFENSE GENERALLY.—Sub-  
21       ject to section 6(1), if the Department of Defense obtains  
22       an audit with an unqualified opinion on its statement of  
23       budgetary resources for any fiscal year after fiscal year  
24       2014, the limitation on the total amount of authorizations  
25       that the Secretary of Defense may transfer pursuant to

1 general transfer authority available to the Secretary in the  
2 national interest in the succeeding fiscal year shall be  
3 \$8,000,000,000.

4 (b) MILITARY DEPARTMENTS, DEFENSE AGENCIES,  
5 AND DEFENSE FIELD ACTIVITIES.—Subject to section  
6 7(a), if a military department, Defense Agency, or defense  
7 field activity obtains an audit with an unqualified opinion  
8 on its statement of budgetary resources for any fiscal year  
9 after fiscal year 2014, the thresholds for reprogramming  
10 of funds of such military department, Defense Agency, or  
11 defense field activity, as the case may be, without prior  
12 notice to Congress for the succeeding fiscal year shall be  
13 deemed to be the thresholds as follows:

14 (1) In the case of an increase or decrease to the  
15 program base amount for a procurement program,  
16 \$60,000,000.

17 (2) In the case of an increase or decrease to the  
18 program base amount for a research program,  
19 \$30,000,000.

20 (3) In the case of an increase or decrease to the  
21 amount for a budget activity for operation and  
22 maintenance, \$45,000,000.

23 (4) In the case of an increase or decrease to the  
24 amount for a budget activity for military personnel,  
25 \$30,000,000.

1 (c) CONSTRUCTION.—Nothing in this section shall be  
2 construed to alter or revise any requirement (other than  
3 a threshold amount) for notice to Congress on transfers  
4 covered by subsection (a) or reprogrammings covered by  
5 subsection (b) under any other provision of law.

6 (d) DEFINITIONS.—In this section, the terms “pro-  
7 gram base amount”, “procurement program”, “research  
8 program”, and “budget activity” have the meanings given  
9 such terms in chapter 6 of volume 3 of the Financial Man-  
10 agement Regulation of the Department of Defense (DoD  
11 7000.14R), dated March 2011, or any successor docu-  
12 ment.

13 **SEC. 5. FAILURE TO OBTAIN AUDITS WITH UNQUALIFIED**  
14 **OPINION OF FISCAL YEAR 2015 GENERAL**  
15 **FUND STATEMENT OF BUDGETARY RE-**  
16 **SOURCES OF THE DEPARTMENT OF DE-**  
17 **FENSE.**

18 (a) IN GENERAL.—If the Department of Defense  
19 fails to obtain an audit with an unqualified opinion on its  
20 general fund statement of budgetary resources for fiscal  
21 year 2015 by December 31, 2015, the following shall take  
22 effect on January 1, 2016:

23 (1) ADDITIONAL QUALIFICATIONS AND DUTIES  
24 OF USD (COMPTROLLER).—



1           (A) QUALIFICATIONS.—Any individual  
2 nominated for appointment to the position of  
3 Under Secretary of Defense (Comptroller)  
4 under section 135 of title 10, United States  
5 Code, shall be an individual who has served—

6           (i) as the chief financial officer of a  
7 Federal or State agency that has received  
8 an audit with an unqualified opinion on  
9 such agency’s financial statements during  
10 the time of such individual’s service; or

11           (ii) as the chief financial officer of a  
12 public company that has received an audit  
13 with an unqualified opinion on such com-  
14 pany’s financial statements during the  
15 time of such individual’s service.

16           (B) DUTIES AND POWERS.—The duties  
17 and powers of the individual serving as Under  
18 Secretary of Defense (Comptroller) shall in-  
19 clude, in addition to the duties and powers  
20 specified in section 135(c) of title 10, United  
21 States Code, such duties and powers with re-  
22 spect to the financial management of the De-  
23 partment of Defense as the Deputy Secretary of  
24 Defense (acting in the capacity of Chief Man-  
25 agement Officer of the Department of Defense)

1 or a successor official in the Department of De-  
2 fense (acting in such capacity) may prescribe.

3 (2) ADDITIONAL QUALIFICATIONS AND RESPON-  
4 SIBILITIES OF ASA FOR FINANCIAL MANAGEMENT.—

5 (A) QUALIFICATIONS.—Any individual  
6 nominated for appointment to the position of  
7 Assistant Secretary of the Army for Financial  
8 Management under section 3016 of title 10,  
9 United States Code, shall be an individual who  
10 has served—

11 (i) as the chief financial officer of a  
12 Federal or State agency that has received  
13 an audit with an unqualified opinion on  
14 such agency's financial statements during  
15 the time of such individual's service; or

16 (ii) as the chief financial officer of a  
17 public company that has received an audit  
18 with an unqualified opinion on such com-  
19 pany's financial statements during the  
20 time of such individual's service.

21 (B) RESPONSIBILITIES.—The responsibil-  
22 ities of the individual serving as Assistant Sec-  
23 retary of the Army for Financial Management  
24 shall include, in addition to the responsibilities  
25 specified in section 3016(b)(4) of title 10,

1 United States Code, such responsibilities as the  
2 Deputy Secretary of Defense (acting in the ca-  
3 pacity of Chief Management Officer of the De-  
4 partment of Defense) or a successor official in  
5 the Department of Defense (acting in such ca-  
6 pacity) may prescribe.

7 (3) ADDITIONAL QUALIFICATIONS AND RESPON-  
8 SIBILITIES OF ASN FOR FINANCIAL MANAGEMENT.—

9 (A) QUALIFICATIONS.—Any individual  
10 nominated for appointment to the position of  
11 Assistant Secretary of the Navy for Financial  
12 Management under section 5016 of title 10,  
13 United States Code, shall be an individual who  
14 has served—

15 (i) as the chief financial officer of a  
16 Federal or State agency that has received  
17 an audit with an unqualified opinion on  
18 such agency’s financial statements during  
19 the time of such individual’s service; or

20 (ii) as the chief financial officer of a  
21 public company that has received an audit  
22 with an unqualified opinion on such com-  
23 pany’s financial statements during the  
24 time of such individual’s service.

1 (B) RESPONSIBILITIES.—The responsibil-  
2 ities of the individual serving as Assistant Sec-  
3 retary of the Navy for Financial Management  
4 shall include, in addition to the responsibilities  
5 specified in section 5016(b)(3) of title 10,  
6 United States Code, such responsibilities as the  
7 Deputy Secretary of Defense (acting in the ca-  
8 pacity of Chief Management Officer of the De-  
9 partment of Defense) or a successor official in  
10 the Department of Defense (acting in such ca-  
11 pacity) may prescribe.

12 (4) ADDITIONAL QUALIFICATIONS AND RESPON-  
13 SIBILITIES OF ASAF FOR FINANCIAL MANAGE-  
14 MENT.—

15 (A) QUALIFICATIONS.—Any individual  
16 nominated for appointment to the position of  
17 Assistant Secretary of the Air Force for Finan-  
18 cial Management under section 8016 of title 10,  
19 United States Code, shall be an individual who  
20 has served—

21 (i) as the chief financial officer of a  
22 Federal or State agency that has received  
23 an audit with an unqualified opinion on  
24 such agency's financial statements during  
25 the time of such individual's service; or

1                   (ii) as the chief financial officer of a  
2                   public company that has received an audit  
3                   with an unqualified opinion on such com-  
4                   pany’s financial statements during the  
5                   time of such individual’s service.

6                   (B) RESPONSIBILITIES.—The responsibil-  
7                   ities of the individual serving as Assistant Sec-  
8                   retary of the Air Force for Financial Manage-  
9                   ment shall include, in addition to the respon-  
10                  sibilities specified in section 8016(b)(3) of title  
11                  10, United States Code, such responsibilities as  
12                  the Deputy Secretary of Defense (acting in the  
13                  capacity of Chief Management Officer of the  
14                  Department of Defense) or a successor official  
15                  in the Department of Defense (acting in such  
16                  capacity) may prescribe.

17                  (b) PUBLIC COMPANY DEFINED.—In this section, the  
18                  term “public company” has the meaning given the term  
19                  “issuer” in section 2(a)(7) of the Sarbanes-Oxley Act of  
20                  2002 (15 U.S.C. 7201(7)).

1 **SEC. 6. FAILURE OF THE DEPARTMENT OF DEFENSE TO OB-**  
2 **TAIN AUDITS WITH UNQUALIFIED OPINION**  
3 **OF FISCAL YEAR 2018 FINANCIAL STATE-**  
4 **MENTS.**

5 If the Department of Defense fails to obtain an audit  
6 with an unqualified opinion on its general fund statement  
7 of budgetary resources for fiscal year 2018 by December  
8 31, 2018:

9 (1) PERMANENT CESSATION OF ENHANCED  
10 GENERAL TRANSFER AUTHORITY.—Effective as of  
11 January 1, 2019, the authority in section 4(a) shall  
12 cease to be available to the Department of Defense  
13 for fiscal year 2018 and any fiscal year thereafter.

14 (2) REORGANIZATION OF RESPONSIBILITIES OF  
15 CHIEF MANAGEMENT OFFICER.—Effective as of  
16 April 1, 2019:

17 (A) POSITION OF CHIEF MANAGEMENT OF-  
18 FICER.—Section 132a of title 10, United States  
19 Code, is amended to read as follows:

20 **“§ 132a. Chief Management Officer**

21 “(a) IN GENERAL.—(1) There is a Chief Manage-  
22 ment Officer of the Department of Defense, appointed  
23 from civilian life by the President, by and with the advice  
24 and consent of the Senate.

1       “(2) Any individual nominated for appointment as  
2 Chief Management Officer shall be an individual who  
3 has—

4               “(A) extensive executive level leadership and  
5 management experience in the public or private sec-  
6 tor;

7               “(B) strong leadership skills;

8               “(C) a demonstrated ability to manage large  
9 and complex organizations; and

10              “(D) a proven record in achieving positive oper-  
11 ational results.

12       “(b) POWERS AND DUTIES.—The Chief Management  
13 Officer shall perform such duties and exercise such powers  
14 as the Secretary of Defense may prescribe.

15       “(c) SERVICE AS CHIEF MANAGEMENT OFFICER.—  
16 (1) The Chief Management Officer is the Chief Manage-  
17 ment Officer of the Department of Defense.

18       “(2) In serving as the Chief Management Officer of  
19 the Department of Defense, the Chief Management Offi-  
20 cer shall be responsible for the management and adminis-  
21 tration of the Department of Defense with respect to the  
22 following:

23               “(A) The expenditure of funds, accounting, and  
24 finance.

1           “(B) Procurement, including procurement of  
2           any enterprise resource planning (ERP) system and  
3           any information technology (IT) system that is a fi-  
4           nancial feeder system, human resources system, or  
5           logistics system.

6           “(C) Facilities, property, nonmilitary equip-  
7           ment, and other resources.

8           “(D) Strategic planning, annual performance  
9           planning, and identification and tracking of perform-  
10          ance measures.

11          “(E) Internal audits and management analyses  
12          of the programs and activities of the Department,  
13          including the Defense Contract Audit Agency.

14          “(F) Such other areas or matters as the Sec-  
15          retary of Defense may designate.

16          “(3) The head of the Defense Contract Audit Agency  
17          shall be under the supervision of, and shall report directly  
18          to, the Chief Management Officer.

19          “(d) PRECEDENCE.—The Chief Management Officer  
20          takes precedence in the Department of Defense after the  
21          Secretary of Defense and the Deputy Secretary of De-  
22          fense.”.

23                               (B) CONFORMING AMENDMENTS.—

24                               (i) Section 131(b) of title 10, United  
25                               States Code, is amended—



1 (I) by striking paragraph (3);

2 (II) by redesignating paragraph

3 (2) as paragraph (3); and

4 (III) by inserting after paragraph

5 (1) the following new paragraph (2):

6 “(2) The Chief Management Officer of the De-  
7 partment of Defense.”.

8 (ii) Section 132 of such title is  
9 amended—

10 (I) by striking subsection (c);

11 and

12 (II) by redesignating subsections

13 (d) and (e) as subsections (c) and (d),

14 respectively.

15 (iii) Section 133(e)(1) of such title is

16 amended by striking “and the Deputy Sec-

17 retary of Defense” and inserting “, the

18 Deputy Secretary of Defense, and the

19 Chief Management Officer of the Depart-

20 ment of Defense”.

21 (iv) Such title is further amended by

22 inserting “the Chief Management Officer

23 of the Department of Defense,” after “the

24 Deputy Secretary of Defense,” each place

25 it appears in the provisions as follows:

1 (I) Section 133(e)(2).

2 (II) Section 134(c).

3 (v) Section 137a(d) of such title is  
4 amended by striking “the Secretaries of  
5 the military departments,” and all that fol-  
6 lows and inserting “the Chief Management  
7 Officer of the Department of Defense, the  
8 Secretaries of the military departments,  
9 and the Under Secretaries of Defense.”.

10 (vi) Section 138(d) of such title is  
11 amended by striking “the Secretaries of  
12 the military departments,” and all that fol-  
13 lows through the period and inserting “the  
14 Chief Management Officer of the Depart-  
15 ment of Defense, the Secretaries of the  
16 military departments, the Under Secre-  
17 taries of Defense, and the Director of De-  
18 fense Research and Engineering.”.

19 (C) CLERICAL AMENDMENT.—The table of  
20 sections at the beginning of chapter 4 of such  
21 title is amended by striking the item relating to  
22 section 132a and inserting the following new  
23 item:

“132a. Chief Management Officer.”.

1           (D) EXECUTIVE SCHEDULE.—Section  
2           5313 of title 5, United States Code, is amended  
3           by adding at the end the following:

4           “Chief Management Officer of the Department  
5           of Defense.”.

6           (E) REFERENCE IN LAW.—Any reference  
7           in any provision of law to the Chief Manage-  
8           ment Officer of the Department of Defense  
9           shall be deemed to refer to the Chief Manage-  
10          ment Officer of the Department of Defense  
11          under section 132a of title 10, United States  
12          Code (as amended by this paragraph).

13          (3) JURISDICTION OF DFAS.—Effective as of  
14          April 1, 2019:

15               (A) TRANSFER TO DEPARTMENT OF THE  
16               TREASURY.—Jurisdiction of the Defense Fi-  
17               nance and Accounting Service (DFAS) is trans-  
18               ferred from the Department of Defense to the  
19               Department of the Treasury.

20               (B) ADMINISTRATION.—The Secretary of  
21               the Treasury shall administer the Defense Fi-  
22               nance and Accounting Service following transfer  
23               under this paragraph through the Financial  
24               Management Service of the Department of the  
25               Treasury.

1           (C) MEMORANDUM OF UNDERSTANDING.—  
2           The Secretary of Defense and the Secretary of  
3           the Treasury shall jointly enter into a memo-  
4           randum of understanding regarding the trans-  
5           fer of jurisdiction of the Defense Finance and  
6           Accounting Service under this paragraph. The  
7           memorandum of understanding shall provide for  
8           the transfer of the personnel and other re-  
9           sources of the Service to the Department of the  
10          Treasury and for the assumption of responsi-  
11          bility for such personnel and resources by the  
12          Department of the Treasury.

13          (D) CONSTRUCTION.—Nothing in this  
14          paragraph shall be construed as terminating, al-  
15          tering, or revising any responsibilities or au-  
16          thorities of the Defense Finance and Account-  
17          ing Service (other than responsibilities and au-  
18          thorities in connection with the exercise of ju-  
19          risdiction of the Service following transfer  
20          under this paragraph).

1 **SEC. 7. FAILURE OF THE MILITARY DEPARTMENTS TO OB-**  
2 **TAIN AUDITS WITH UNQUALIFIED OPINION**  
3 **OF FINANCIAL STATEMENTS FOR FISCAL**  
4 **YEARS AFTER FISCAL YEAR 2017.**

5 (a) PERMANENT CESSATION OF AUTHORITIES ON  
6 REPROGRAMMING OF FUNDS.—If a military department  
7 fails to obtain an audit with an unqualified opinion on its  
8 financial statements for fiscal year 2018 by December 31,  
9 2018, effective as of January 1, 2019, the authorities in  
10 section 4(b) shall cease to be available to the military de-  
11 partment for fiscal year 2018 and any fiscal year there-  
12 after.

13 (b) ANNUAL PROHIBITION ON EXPENDITURE OF  
14 FUNDS FOR CERTAIN MDAPs PAST MILESTONE B IN  
15 CONNECTION WITH FAILURE.—

16 (1) PROHIBITION.—Effective for fiscal years  
17 after fiscal year 2017, if a military department fails  
18 to obtain an audit with an unqualified opinion on its  
19 financial statements for any fiscal year, effective as  
20 of the date of the issuance of the opinion on such  
21 audit, amounts available to the military department  
22 for the following fiscal year may not be obligated by  
23 the military department for a weapon or weapon sys-  
24 tem or platform being acquired as a major defense  
25 acquisition program for any activity beyond Mile-  
26 stone B approval unless such program has already

1 achieved Milestone B approval as of the date of the  
2 issuance of the opinion on such audit.

3 (2) DEFINITIONS.—In this subsection:

4 (A) The term “major defense acquisition  
5 program” has the meaning given that term in  
6 section 2430 of title 10, United States Code.

7 (B) The term “Milestone B approval” has  
8 the meaning given that term in section  
9 2366(e)(7) of title 10, United States Code.

10 **SEC. 8. ENTERPRISE RESOURCE PLANNING.**

11 The Secretary of Defense shall amend the acquisition  
12 guidance of the Department of Defense to provide for the  
13 following:

14 (1) The Defense Business System Management  
15 Committee may not approve procurement of any En-  
16 terprise Resource Planning (ERP) business system  
17 that is independently estimated to take longer than  
18 three years to procure from initial obligation of  
19 funds to full deployment and sustainment.

20 (2) Any contract for the acquisition of an En-  
21 terprise Resource Planning business system shall in-  
22 clude a provision authorizing termination of the con-  
23 tract at no cost to the Government if procurement  
24 of the system takes longer than three years from ini-

1        tial obligation of funds to full deployment and  
2        sustainment.

3            (3) Any implementation of an Enterprise Re-  
4        source Planning system shall comply with each of  
5        the following:

6            (A) The current Business Enterprise Ar-  
7        chitecture established by the Chief Management  
8        Officer of the Department of Defense.

9            (B) The provisions of section 2222 of title  
10       10, United States Code.

11           (4) The Deputy Secretary of Defense (acting in  
12       the capacity of Chief Management Officer of the De-  
13       partment of Defense) or a successor official in the  
14       Department of Defense (acting in such capacity)  
15       shall have the authority to replace any program  
16       manager (whether in a military department or a De-  
17       fense Agency) for the procurement of an Enterprise  
18       Resource Planning business system if procurement  
19       of the system takes longer than three years from ini-  
20       tial obligation of funds to full deployment and  
21       sustainment.

22           (5) Any integrator contract for the implementa-  
23       tion of an Enterprise Resource Planning business  
24       system shall only be awarded to companies that have  
25       a history of successful implementation of other En-

1       terprise Resource Planning business systems for the  
2       Federal Government (whether with the Department  
3       of Defense or another department or agency of the  
4       Federal Government), including meeting cost and  
5       schedule goals.

○