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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

To amend title 38, United States Code, to reorganize the acquisition structure of the Department of Veterans Affairs and to establish the Director of Cost Assessment and Program Evaluation in the Department, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BARRETT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, United States Code, to reorganize the acquisition structure of the Department of Veterans Affairs and to establish the Director of Cost Assessment and Program Evaluation in the Department, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Acquisition Reform and Cost Assessment Act of 2025”
6 or the “ARCA Act of 2025”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Department of Veterans Affairs acquisition organization.

Sec. 3. Department of Veterans Affairs major acquisition program managers.

Sec. 4. Department of Veterans Affairs acquisition and procurement reorganization matters.

Sec. 5. Independent verification and validation of major acquisition programs of Department of Veterans Affairs.

Sec. 6. Department of Veterans Affairs cost assessment and program evaluation.

Sec. 7. Improvements to hiring of entry-level acquisition positions in the Department of Veterans Affairs.

Sec. 8. Independent analysis of acquisition process of Department of Veterans Affairs.

Sec. 9 Requirements development process

Sec. 9. Requirements development

Sec. 10. Conforming amendments

Sec. 11. Clerical amendments.

3 SEC. 2. DEPARTMENT OF VETERANS AFFAIRS ACQUISITION 4 ORGANIZATION.

5 (a) DEFINITIONS.—Chapter 81 of title 38, United
6 States Code, is amended by inserting after subchapter VI
7 the following new subchapter:

8 **“Subchapter VII—Acquisition Organization, 9 Cost Assessment, and Program Evaluation**

10 "SEC. 8181. DEFINITION OF MAJOR ACQUISITION PRO-
11 GRAM.

12 “In this subchapter, the term ‘major acquisition pro-
13 gram’ means a program of the Department to acquire
14 services, supplies, technology, systems, or a combination
15 thereof, with an estimated total program cost, estimated
16 by the Secretary, that exceeds—

1 “(1) \$1,000,000,000 (adjusted pursuant to sec-
2 tion 1908 of title 41) for the total life cycle cost of
3 the program; or

4 “(2) \$200,000,000 (adjusted pursuant to sec-
5 tion 1908 of title 41) annually.”.

6 (b) ASSISTANT SECRETARY FOR ACQUISITION.—Sec-
7 tion 308 of such title is amended—

8 (1) in subsection (a)(1), by striking “seven”
9 and inserting “eight”; and

10 (2) in subsection (b)(10), by striking “Procure-
11 ment functions” and inserting “Acquisition func-
12 tions”.

13 (c) ACQUISITION ORGANIZATION.—Subchapter VI of
14 chapter 81 of such title, as added by subsection (a), is
15 amended by adding at the end the following new section:

16 **“SEC. 8182. ACQUISITION ORGANIZATION.**

17 “(a) ASSISTANT SECRETARY FOR ACQUISITION;
18 CHIEF ACQUISITION OFFICER.—(1) The Secretary shall
19 designate one of the Assistant Secretaries specified in sub-
20 section (a)(1) of section 308 of this title as the Assistant
21 Secretary of Veterans Affairs for Acquisition, who shall
22 focus solely on the administration of functions specified
23 in subsection (b)(10) of such section.

24 “(2) Pursuant to section 1702(a) of title 41, the Sec-
25 retary shall designate the Assistant Secretary of Veterans

1 Affairs for Acquisition as the Chief Acquisition Officer of
2 the Department.

3 “(b) OFFICE OF ACQUISITION.—(1) There is in the
4 Department an Office of Acquisition.

5 “(2) The head of the Office of Acquisition shall be
6 the Assistant Secretary of Veterans Affairs for Acquisition
7 designated pursuant to subsection (a).

8 “(3) The Secretary shall take such actions as may
9 be necessary to ensure that major acquisition program of-
10 fices of the Department align under the Office of Acquisi-
11 tion and report directly to the Assistant Secretary of Vet-
12 erans Affairs for Acquisition.

13 “(4) The budget of the Office of Acquisition, includ-
14 ing budgets for major acquisition programs, shall be es-
15 tablished in the budget justification materials submitted
16 to Congress in support of the budget of the Department
17 (as submitted with the budget of the President under sec-
18 tion 1105(a) of title 31).

19 “(c) DEPUTY ASSISTANT SECRETARY FOR LOGIS-
20 TICS.—(1) Pursuant to section 308(d) of this title, the
21 Secretary shall appoint a Deputy Assistant Secretary of
22 Veterans Affairs for Logistics, who shall report to the As-
23 sistant Secretary for Acquisition.

24 “(2) The Deputy Assistant Secretary of Veterans Af-
25 fairs for Logistics shall be responsible for administration

1 of logistics and supply chain operations of the Depart-
2 ment.

3 “(d) DEPUTY ASSISTANT SECRETARY FOR PROCURE-
4 MENT.—(1) Pursuant to section 308(d) of this title, the
5 Secretary shall appoint a Deputy Assistant Secretary of
6 Veterans Affairs for Procurement, who shall report to the
7 Assistant Secretary for Acquisition.

8 “(2) The Deputy Assistant Secretary of Veterans Af-
9 fairs for Procurement shall be responsible for all procure-
10 ment and contracting organizations of the Department.

11 “(e) DEPUTY ASSISTANT SECRETARY FOR ACQUISI-
12 TION, PROGRAM MANAGEMENT, AND PERFORMANCE.—
13 (1) Pursuant to section 308(d) of this title, the Secretary
14 shall appoint a Deputy Assistant Secretary of Veterans
15 Affairs for Acquisition, Program Management, and Per-
16 formance, who shall report to the Assistant Secretary for
17 Acquisition.

18 “(2) The Deputy Assistant Secretary for Acquisition,
19 Program Management, and Performance shall be respon-
20 sible for the following:

- 21 “(A) Lifecycle management.
- 22 “(B) Requirements planning.
- 23 “(C) Programming and budgeting.
- 24 “(D) Policy.
- 25 “(E) Performance standards.

1 “(F) Governance.

2 “(G) Enhancing the capabilities of the acqui-
3 sition workforce.

4 “(f) PROGRAM EXECUTIVE OFFICERS.—(1) The As-
5 sistant Secretary for Acquisition shall appoint no fewer
6 than four Program Executive Officers, each responsible
7 for overseeing major acquisition programs in one of the
8 following areas:

9 “(A) Medical.

10 “(B) Information technology.

11 “(C) Professional services.

12 “(D) Other areas not included in subpara-
13 graphs (A) through (C).

14 “(2) Each Program Executive Officer shall report di-
15 rectly to the Assistant Secretary for Acquisition and shall
16 supervise the managers of major acquisition programs
17 within their respective area, as appointed under section
18 8183 of this title.

19 “(3) Each Program Executive Officer shall be—

20 “(A) certified in project management at level
21 three by—

22 “(i) the Department;

23 “(ii) the Federal Acquisition Institute pur-
24 suant to section 1201 of title 41; or

1 “(iii) the Department of Defense pursuant
2 to section 1701a of title 10; or
3 “(B) hold an equivalent certification by a pri-
4 vate sector project management certification organi-
5 zation, as determined appropriate by the Sec-
6 retary.”.

7 **SEC. 3. DEPARTMENT OF VETERANS AFFAIRS MAJOR AC-
8 QUISITION PROGRAM MANAGERS.**

9 Subchapter VI of chapter 81 of title 38, United
10 States Code, as added by section 2, is amended by adding
11 at the end the following new section:

12 **“§ 8183. Major acquisition program managers**

13 “(a) APPOINTMENTS.—Not later than 30 days after
14 any date on which the Secretary approves a major acquisi-
15 tion program to commence, the applicable Program Exec-
16 utive Officer shall appoint a manager to be responsible
17 for administering such program.

18 “(b) QUALIFICATIONS.—Each manager appointed
19 pursuant to subsection (a) shall be—

20 “(1) certified in project management at level
21 three by—

22 “(A) the Department;

23 “(B) the Federal Acquisition Institute pur-
24 suant to section 1201 of title 41; or

1 “(C) the Department of Defense pursuant
2 to section 1701a of title 10; or

3 “(2) hold an equivalent certification by a pri-
4 ivate sector project management certification organi-
5 zation, as determined appropriate by the Secretary.

6 “(c) DUTIES.—Each manager appointed pursuant to
7 subsection (a) for a major acquisition program shall—

8 “(1) report to the Assistant Secretary for Ac-
9 quisition through the Program Executive Officer re-
10 sponsible for the major acquisition program; and

11 “(2) shall be responsible for, with respect to the
12 major acquisition program—

13 “(A) developing, in coordination with the
14 Program Executive Officer, a plan to admin-
15 ister major acquisition program, which shall be
16 known as the ‘program baseline’ for the major
17 acquisition program, that includes—

18 “(i) a description of each acquisition
19 phase of the major acquisition program;

20 “(ii) for each such acquisition phase,
21 requirements for advancing the major ac-
22 quisition program to a subsequent acqui-
23 sition phase; and

24 “(iii) estimates of the cost, schedule,
25 and performance of the major acquisition

1 program that account for the entire life
2 cycle of the major acquisition program;

10 “(C) developing resource requests and jus-
11 tifications necessary to satisfy such require-
12 ments; and

13 “(D) on a continuous basis, assessing and
14 managing risks to satisfying the requirements
15 of such program baseline relating to cost and
16 schedule.

17 "(d) PROGRAM DECISION AUTHORITY.—The Sec-
18 retary shall ensure that—

19 “(1) program decision authority for oversight of
20 a major acquisition program is the Assistant Sec-
21 retary for Acquisition; and

22 “(2) program management offices for major ac-
23 quisition programs are independent of the Veterans
24 Benefits Administration, the Veterans Health Ad-
25 ministration, the National Cemetery Administration,

1 and staff offices of the Department by reporting di-
2 rectly to the Assistant Secretary for Acquisition.

3 **“(e) PROGRAM DECISION AUTHORITY NOTIFICATION**
4 **REQUIRED.**—Not later than 30 days after any date on
5 which a major acquisition program concludes an acquisi-
6 tion phase, the manager of such program appointed pursu-
7 ant to subsection (a) shall notify the program decision au-
8 thority under subsection (c).”.

9 **SEC. 4. DEPARTMENT OF VETERANS AFFAIRS ACQUISITION**

10 **AND PROCUREMENT REORGANIZATION MAT-
11 TERS.**

12 (a) **ORGANIZATIONAL CONSOLIDATION.**—Not later
13 than one year after the date of the enactment of this Act,
14 the Secretary of Veterans Affairs shall organizationally
15 consolidate under the Assistant Secretary of Veterans Af-
16 fairs for Acquisition every activity of the Department of
17 Veterans Affairs, including the Veterans Benefits Admin-
18 istration, the Veterans Health Administration, and the
19 National Cemetery Administration, that relates to—

20 (1) acquisition;
21 (2) procurement and contracting; or
22 (3) logistics and supply chain.

23 (b) **RELOCATION.**—Subsection (a) shall not be con-
24 strued to require the physical relocation of employees of
25 the Department.

1 (c) PLAN AND BRIEFING.—

2 (1) IN GENERAL.—Not later than 90 days after
3 commencing organizational consolidation under sub-
4 section (a), the Secretary shall—5 (A) submit to the Committee on Veterans'
6 Affairs of the Senate and the Committee on
7 Veterans' Affairs of the House of Representa-
8 tives a written plan to carry out such organiza-
9 tional consolidation; and10 (B) provide such committees a briefing on
11 such plan.12 (2) CONTENTS.—The plan submitted pursuant
13 to paragraph (1)(A) shall include the following:

14 (A) A timeline.

15 (B) A plan for communication and training
16 activities for relevant Department personnel.17 (C) A plan for modification of relevant De-
18 partment policy and guidance.19 (D) Such other matters as the Secretary
20 considers relevant and appropriate.21 **SEC. 5. INDEPENDENT VERIFICATION AND VALIDATION OF**
22 **MAJOR ACQUISITION PROGRAMS OF DEPART-**
23 **MENT OF VETERANS AFFAIRS.**24 (a) CONTRACTING AUTHORITY.—Not later than 120
25 days after the date of the enactment of this Act, the Sec-

1 retary of Veterans Affairs shall seek to enter into one or
2 more contracts using competitive procedures with one or
3 more entities to carry out the functions described in sub-
4 section (c).

5 (b) ELIGIBILITY.—

6 (1) IN GENERAL.—An entity is not eligible to
7 be awarded a contract under this section unless the
8 Chief Acquisition Officer of the Department of Vet-
9 erans Affairs determines, at the time of evaluation
10 of offers submitted under subsection (a), that the
11 entity is currently performing or has performed, dur-
12 ing the preceding three-year period, not fewer than
13 three prime contracts from either governmental or
14 commercial health care organizations for—

15 (A) the independent verification and vali-
16 dation services or equivalent services, including
17 systems engineering and technical advisory
18 (SETA) support of major acquisition programs;
19 or

20 (B) the independent verification and vali-
21 dation or systems engineering and technical ad-
22 visory (SETA) support of the development or
23 acquisition of major acquisition programs or de-
24 fense systems, in accordance with guidance of

1 the Department of Defense relating to such ac-
2 quisition programs or such business systems.

3 (2) PAST PERFORMANCE.—For any contract
4 used to demonstrate eligibility under paragraph (1),
5 an entity must have performed the work at a satis-
6 factory or better level as indicated by the past per-
7 formance information in the Contractor Performance
8 Assessment Reporting System, or successor system.

9 (3) DEMONSTRATION OF LACK OF CONFLICT OF
10 INTEREST.—The Secretary shall revoke the eligi-
11 bility of an entity under this subsection if an entity
12 does not demonstrate clear and unmitigable evidence
13 that the entity does not have a conflict of interest
14 with respect to the effective performance of func-
15 tions under subsection (c).

16 (4) NO MITIGATION PLANS ACCEPTABLE.—The
17 Secretary may not accept from an entity a plan to
18 mitigate a conflict of interest in order to ameliorate
19 any limitation or prohibition under this subsection.

20 (c) FUNCTIONS.—The functions specified in this sub-
21 section are the following:

22 (1) The independent verification and validation
23 of each major acquisition program project—

24 (A) when such major acquisition program
25 is initiated, with respect to its design and the

1 development of its requirements and acquisi-
2 tion;

12 (d) FUNDING.—The Chief Financial Officer of the
13 Department shall ensure that each organizational subdivi-
14 sion of the Department that enters into a contract under
15 subsection (a) proportionally contributes amounts to fund
16 each such contract.

17 (e) DEFINITIONS.—In this section:

(A) information technology support or software or system design, development, sustainment, or maintenance services;

24 (B) professional or management consulting
25 services; or

1 (C) advisory and assistance services.

12 (B) to validate cost, schedule, and per-
13 formance baselines of current programs and
14 measure program effectiveness.

15 SEC. 6. DEPARTMENT OF VETERANS AFFAIRS COST AS-
16 SESSMENT AND PROGRAM EVALUATION.

17 (a) IN GENERAL.—Subchapter VI of chapter 81 of
18 title 38, United States Code, as added by section 2 and
19 amended by section 3, is further amended by adding at
20 the end the following new section:

21 “§ 8184. Cost assessment and program evaluation

22 "(a) DIRECTOR OF COST ASSESSMENT AND PRO-
23 GRAM EVALUATION.—There is in the Department a Direc-
24 tor of Cost Assessment and Program Evaluation, who
25 shall report directly to the Secretary.

1 “(b) RESPONSIBILITIES.—The responsibilities of the
2 Director are as follows:

3 “(1) To develop policies and procedures for cost
4 estimation and analysis of major acquisition pro-
5 grams of the Department.

6 “(2) To conduct independent cost estimates and
7 analyses for major acquisition programs to support
8 acquisition decisions, or any other acquisitions as di-
9 rected by the Secretary,

10 “(3) To provide an independent cost estimate to
11 the Assistant Secretary for Acquisition in advance of
12 a decision to proceed with full-scale acquisition for
13 a major acquisition program or any other program
14 as directed by the Director.

15 “(4) To evaluate the effectiveness of major ac-
16 quisition programs in meeting Department objec-
17 tives.

18 “(5) Not less frequently than once each year, to
19 submit to the Secretary and the Committee on Vet-
20 ernans’ Affairs of the Senate and the Committee on
21 Veterans’ Affairs of the House of Representatives an
22 annual report on cost estimation and program eval-
23 uation activities, including recommendations to im-
24 prove acquisition efficiency. Such report shall in-
25 clude a list of all acquisitions where the independent

1 cost estimate for a major acquisition program ex-
2 ceeded the budget request for the program by more
3 than 5 percent.

4 “(c) SUPPORT AND RESOURCES.—The Chief Finan-
5 cial Officer of the Department shall provide to the Sec-
6 retary such support and resources as may be necessary
7 for the Secretary to ensure the effective establishment and
8 functioning of the Director of Cost Assessment and Pro-
9 gram Evaluation.”.

10 (b) REPORT ON MONITORING OF OPERATING AND
11 SUPPORT COSTS FOR MAJOR ACQUISITION PROGRAMS.—

12 (1) REPORT TO SECRETARY OF VETERANS AF-
13 FAIRS.—Not later than one year after the date of
14 the enactment of this Act, and not less frequently
15 than once each year thereafter until December 31,
16 2028, the Director of Cost Assessment and Program
17 Evaluation of the Department of Veterans Affairs
18 shall submit to the Secretary of Veterans Affairs a
19 report on systems and methods for tracking and as-
20 sessing operating and support costs of major acqui-
21 sition programs (as defined in section 8181 of title
22 38, United States Code, as added by section 2), in-
23 cluding recommendations for establishing cost base-
24 lines.

7 SEC. 7. IMPROVEMENTS TO HIRING OF ENTRY-LEVEL AC-
8 QUISITION POSITIONS IN THE DEPARTMENT
9 OF VETERANS AFFAIRS.

10 (a) PRIORITY USE OF INTERNSHIP PROGRAMS FOR
11 HIRING INTO ENTRY-LEVEL POSITIONS IN ACQUISI-
12 TIONS.—The Secretary of Veterans Affairs shall prioritize
13 the use of acquisition internship programs to hire employ-
14 ees to entry-level positions relating to acquisition in the
15 Department of Veterans Affairs.

16 (b) ANNUAL NUMBER OF PARTICIPANTS IN ACQUISI-
17 TION INTERNSHIP PROGRAMS.—

1 (A) not fewer than twice the number of
2 participants in such programs during fiscal year
3 2025; and

(B) not more than 4 times the number of participants in such programs during such fiscal year.

21 SEC. 8. INDEPENDENT ANALYSIS OF ACQUISITION PROC-
22 ESS OF DEPARTMENT OF VETERANS AF-
23 FAIRS.

24 (a) SYSTEMS ENGINEERING ANALYSIS.—Not later
25 than one year after the date of the enactment of this Act,

1 the Secretary of Veterans' Affairs shall enter into a memo-
2 randum of understanding with the Executive Director of
3 the Acquisition Research Center of the Department of De-
4 fence to conduct a systems engineering analysis of the ac-
5 quisition process of the Department of Veterans Affairs.

6 (b) REPORT.—Not later than one year after the date
7 in which the Secretary enters into the memorandum of
8 understanding required by subsection (a), the Secretary
9 shall submit to Committee on Veterans' Affairs of the Sen-
10 ate and the Committee on Veterans' Affairs of the House
11 of Representatives a report on the findings of the Execu-
12 tive Director with respect to the analysis conducted under
13 such subsection.

14 **SEC. 9. REQUIREMENTS DEVELOPMENT PROCESS.**

15 (a) IN GENERAL.—Subchapter VI of chapter 81 of
16 title 38, United States Code, as added by section 2 and
17 amended by sections 3 and 6, is further amended by add-
18 ing at the end the following new section:

19 **“SEC. 8185. REQUIREMENTS DEVELOPMENT PROCESS.**

20 “(a) ESTABLISHMENT OF PROCESS.—(1) The Sec-
21 retary shall establish a standardized requirements develop-
22 ment process for major acquisition programs.

23 “(2) The process established pursuant to paragraph
24 (1) shall—

1 “(A) define and validate mission-driven require-
2 ments for major acquisition programs exceeding
3 \$200,000,000 annually or \$1,000,000,000 in
4 lifecycle costs, in coordination with the Assistant
5 Secretary for Acquisition;

6 “(B) incorporate data-driven needs assessments,
7 stakeholder input from relevant administrations,
8 staff offices, and other elements of the Department
9 and veterans service organizations, and
10 alignment with statutory mandates, such as section
11 8121 of this title; and

12 “(C) ensure iterative validation of requirements
13 through independent verification and validation, as
14 described in section 8185 of this title, to confirm
15 cost, schedule, and performance baselines.

16 “(b) LIMITATION ON PERSONNEL.—The Secretary
17 shall implement the process established pursuant to sub-
18 section (a) using staff within the Office of Acquisition and
19 other relevant offices of the Department, as established
20 under section 8182 of this title, without creating new posi-
21 tions, unless a subsequent cost-benefit analysis, validated
22 by the Director of Cost Assessment and Program Evalua-
23 tion, justifies additional resources.”.

24 (b) REPORT.—Not later than 180 days after the en-
25 actment of this Act, the Secretary shall submit to the

1 Committee on Veterans' Affairs of the Senate and the
2 Committee on Veterans' Affairs of the House of Rep-
3 resentatives a report detailing the requirements process
4 established pursuant to section 8187 of such title, as
5 added by subsection (a) and a plan for implementation
6 of such process, including timelines for integration with
7 major acquisition program baselines.

8 **SEC. 10. CONFORMING AMENDMENTS.**

9 Subchapter VI of chapter 81 of title 38, United
10 States Code, is amended—

11 (1) in section 8171, by striking paragraphs (5)
12 and (6); and
13 (2) by striking section 8172.

14 **SEC. 11. CLERICAL AMENDMENTS.**

15 The table of sections at the beginning of chapter 81
16 of title 38, United States Code, is amended—

17 (1) by striking the item relating to section
18 8172; and

19 (2) by adding at the end the following:

“SUBCHAPTER VII—ACQUISITION REVIEW, COST ASSESSMENT, AND PROGRAM
EVALUATION

- “8181. Definition of major acquisition program.
- “8182. Acquisition reorganization.
- “8183. Major acquisition program managers.
- “8184. Cost assessment and program evaluation.
- “8185. Requirements development process.”.