

1 **SEC. 812. AMENDMENTS RELATING TO DETECTION AND**
2 **AVOIDANCE OF COUNTERFEIT ELECTRONIC**
3 **PARTS.**

4 Section 818(c)(2) of the National Defense Authoriza-
5 tion Act for Fiscal Year 2012 (Public Law 112–81; 10
6 U.S.C. 2302 note) is amended—

7 (1) in subparagraph (A), by striking “and” at
8 the end;

9 (2) in subparagraph (B), at the end of clause
10 (iii), by striking the period and inserting “; and”;
11 and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(C) the cost of counterfeit electronic parts
15 and suspect counterfeit electronic parts and the
16 cost of rework or corrective action that may be
17 required to remedy the use or inclusion of obso-
18 lete parts are not allowable costs under Depart-
19 ment contracts, unless—

20 “(i) the offeror’s proposal in response
21 to a Department of Defense solicitation for
22 maintenance, refurbishment, or remanufac-
23 ture work identifies obsolete electronic
24 parts and includes a plan to ensure trusted
25 sources of supply for obsolete electronic

1 parts, or to implement design modifica-
2 tions to eliminate obsolete electronic parts;

3 “(ii) the Department elects not to
4 fund design modifications to eliminate ob-
5 solete electronic parts; and

6 “(iii) the contractor applies inspec-
7 tions and tests intended to detect counter-
8 feit electronic parts and suspect counterfeit
9 electronic parts when purchasing electronic
10 parts from other than the original manu-
11 facturers or their authorized dealers, pur-
12 suant to paragraph (3).”.

13 **SEC. 813. GOVERNMENT-WIDE LIMITATIONS ON ALLOW-**
14 **ABLE COSTS FOR CONTRACTOR COMPENSA-**
15 **TION.**

16 (a) DEFENSE CONTRACTS.—

17 (1) AMENDMENTS RELATING TO CONTRACTOR
18 EMPLOYEES.—Subparagraph (P) of section
19 2324(e)(1) of title 10, United States Code, is
20 amended to read as follows:

21 “(P) Costs of compensation of any contractor
22 employee for a fiscal year, regardless of the contract
23 funding source, to the extent that such compensa-
24 tion exceeds \$763,029 adjusted annually for the
25 U.S. Bureau of Labor Statistics Employment Cost