

SEC. 1006. REQUIREMENT FOR PROMPT PAYMENT OF CONTRACT VOUCHERS.

(a) REQUIREMENT- (1) Chapter 131 of title 10, United States Code, is amended by adding after section 2225, as added by section 812(a)(1), the following new section:

`Sec. 2226. Contracted property and services: prompt payment of vouchers

`(a) REQUIREMENT- Of the contract vouchers that are received by the Defense Finance and Accounting Service by means of the mechanization of contract administration services system, the number of such vouchers that remain unpaid for more than 30 days as of the last day of each month may not exceed 5 percent of the total number of the contract vouchers so received that remain unpaid on that day.

`(b) CONTRACT VOUCHER DEFINED- In this section, the term `contract voucher' means a voucher or invoice for the payment to a contractor for services, commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))), or other deliverable items provided by the contractor under a contract funded by the Department of Defense.'

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2225, as added by section 812(a)(2), the following new item:

`2226. Contracted property and services: prompt payment of vouchers.'

(b) EFFECTIVE DATE- Section 2226 of title 10, United States Code (as added by subsection (a)), shall take effect on December 1, 2000.

(c) CONDITIONAL REQUIREMENT FOR REPORT- (1) If for any month of the noncompliance reporting period the requirement in section 2226 of title 10, United States Code (as added by subsection (a)), is not met, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the magnitude of the unpaid contract vouchers. The report for a month shall be submitted not later than 30 days after the end of that month.

(2) A report for a month under paragraph (1) shall include information current as of the last day of the month as follows:

(A) The number of the vouchers received by the Defense Finance and Accounting Service by means of the mechanization of contract administration services system during each month.

(B) The number of the vouchers so received, whenever received by the Defense Finance and Accounting Service, that remain unpaid for each of the following periods:

(i) Over 30 days and not more than 60 days.

(ii) Over 60 days and not more than 90 days.

(iii) More than 90 days.

(C) The number of the vouchers so received that remain unpaid for the major categories of procurements, as defined by the Secretary of Defense.

(D) The corrective actions that are necessary, and those that are being taken, to ensure compliance with the requirement in subsection (a).

(3) For purposes of this subsection:

(A) The term `noncompliance reporting period' means the period beginning on December 1, 2000, and ending on November 30, 2004.

(B) The term `contract voucher' has the meaning given that term in section 2226(b) of title 10, United States Code (as added by subsection (a)).