

der, if his bid is accepted, will, within the time prescribed by the Secretary or other officer authorized to make the contract, make a contract and furnish a bond with good and sufficient sureties for the performance of the contract.

(b) If a bidder, after being notified of the acceptance of his bid, fails within the time prescribed under subsection (a)(2) to enter into a contract and furnish the prescribed bond, the Secretary concerned or other authorized officer shall—

(1) contract with another person; and

(2) charge against the defaulting bidder and his guarantors the difference between the amount specified by the bidder in his bid and the amount for which a contract is made with the other person, this difference being immediately recoverable by the United States for the use of the military department concerned in an action against the bidder and his guarantors, jointly or severally.

(c) Proceedings under this section are subject to regulations under section 121 of title 40, unless exempted therefrom under section 501(a)(2) of title 40.

(Aug. 10, 1956, ch. 1041, 70A Stat. 136; Pub. L. 98-525, title XIV, §1405(35), Oct. 19, 1984, 98 Stat. 2624; Pub. L. 103-355, title I, §1507, Oct. 13, 1994, 108 Stat. 3298; Pub. L. 107-217, §3(b)(6), Aug. 21, 2002, 116 Stat. 1295.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2381(a)	5:218 (1st sentence, less 1st 16 words; and 2d sentence).	Apr. 10, 1878, ch. 58, 20 Stat. 36; Mar. 3, 1883, ch. 120, 22 Stat. 487; Oct. 31, 1951, ch. 654, §2(4), 65 Stat. 706.
2381(b)	5:218 (less 1st and 2d sentences).	Feb. 19, 1948, ch. 65, §12 (1st sentence), 62 Stat. 26.
2381(c)	5:218 (1st 16 words of 1st sentence) [applicability of 5:218 extended to Navy by 5:412b and 41:161 (1st sentence)].	

In subsection (a)(1), the word “may” is substituted for the words “is authorized to”. The words “rules and * * * to be observed” are omitted as surplusage.

In subsection (a)(2), the word “undertaking” is substituted for the words “to the effect that he or they undertake”. The words “make a contract” are inserted for clarity. The words “in the premises” are omitted as surplusage. The words “for the performance of the contract” are substituted for the words “to furnish the supplies proposed or to perform the service required”.

In subsection (b), the word “duly” is omitted as surplusage. The words “with good and sufficient security for the proper fulfillment of its terms” are omitted as covered by subsection (a)(2). The words “the prescribed” are inserted before the word “bond”.

Subsection (b)(1) is substituted for the words “proceed to contract with some other person to furnish the supplies or perform the services required”.

In subsection (b)(2) the word “charge” is substituted for the words “forthwith cause * * * to be charged”. The words “a contract is made with the other person” are substituted for the words “he may have contracted with another party to furnish the supplies or perform the service for the whole period of the proposal”. The words “guarantor or” are omitted as surplusage. The words “this difference being” are substituted for the words “and the sum may be”. The words “of debt” are omitted, since that action no longer exists. The words “the bidder and his guarantors, jointly or severally” are substituted for the words “either or all of such persons”.

In subsection (c), the words “Proceedings under this section are” are inserted for clarity. The words “unless exempted therefrom under section 481(a) of that title” are inserted to preserve the possibility of exemption of proceedings under the revised section from the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

AMENDMENTS

2002—Subsec. (c). Pub. L. 107-217 substituted “section 121 of title 40” for “section 205 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486)” and “section 501(a)(2) of title 40” for “section 201(a) of that Act (40 U.S.C. 481(a))”.

1994—Subsec. (a). Pub. L. 103-355 substituted “The Secretary of Defense may—

“(1) prescribe regulations for the preparation, submission, and opening of bids for contracts; and” for “The Secretary of a military department may—

“(1) prescribe regulations for the preparation, submission, and opening of bids for contracts with that department; and”.

1984—Subsec. (c). Pub. L. 98-525 substituted “section 205 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486)” for “section 486 of title 40” and “section 201(a) of that Act (40 U.S.C. 481(a))” for “section 481(a) of this title”.

[§ 2382. Repealed. Pub. L. 112-239, div. A, title XVI, § 1671(c)(1), Jan. 2, 2013, 126 Stat. 2084]

Section, added Pub. L. 108-136, div. A, title VIII, §801(a)(1), Nov. 24, 2003, 117 Stat. 1538; amended Pub. L. 109-364, div. A, title X, §1071(a)(2), Oct. 17, 2006, 120 Stat. 2398; Pub. L. 111-240, title I, §1313(b), Sept. 27, 2010, 124 Stat. 2539; Pub. L. 112-239, div. A, title X, §1076(d)(3), Jan. 2, 2013, 126 Stat. 1951, related to policy and restrictions regarding consolidation of contract requirements.

A prior section 2382, acts Aug. 10, 1956, ch. 1041, 70A Stat. 136; Dec. 1, 1981, Pub. L. 97-86, title IX, §911(a)(1), 95 Stat. 1120; Nov. 5, 1990, Pub. L. 101-510, div. A, title XIV, §1484(b)(3), (f)(2), (g)(2), (h)(3), 104 Stat. 1716, 1717; Oct. 29, 1992, Pub. L. 102-572, title IX, §902(b)(1), 106 Stat. 4516, authorized the President, upon declaration of war by Congress or declaration of national emergency by the President or by Congress, to prescribe regulations to control excessive profits on defense contracts during period of such war or national emergency, prior to repeal by Pub. L. 103-355, title II, §2102(a), Oct. 13, 1994, 108 Stat. 3309.

§ 2383. Contractor performance of acquisition functions closely associated with inherently governmental functions

(a) LIMITATION.—The head of an agency may enter into a contract for the performance of acquisition functions closely associated with inherently governmental functions only if the contracting officer for the contract ensures that—

(1) appropriate military or civilian personnel of the Department of Defense cannot reasonably be made available to perform the functions;

(2) appropriate military or civilian personnel of the Department of Defense are—

(A) to supervise contractor performance of the contract; and

(B) to perform all inherently governmental functions associated with the functions to be performed under the contract; and

(3) the agency addresses any potential organizational conflict of interest of the contractor in the performance of the functions under the contract, consistent with subpart 9.5 of part 9 of the Federal Acquisition Regulation