

sonable, and not otherwise unallowable by law or under the Federal Acquisition Regulation.

(c) GOAL FOR REIMBURSABLE BID AND PROPOSAL COSTS.—The Secretary shall establish a goal each fiscal year limiting the amount of reimbursable bid and proposal costs paid by the Department of Defense to an amount equal to not more than one percent of the total aggregate industry sales to the Department of Defense. To achieve such goal, the Secretary may not limit the payment of allowable bid and proposal costs for the covered year.

(d) PANEL.—(1) If the Department of Defense exceeds the goal established under subsection (c) for a fiscal year, within 180 days after exceeding the goal, the Secretary shall establish an advisory panel. The panel shall be supported by the Defense Acquisition University and the National Defense University, including administrative support.

(2) The panel shall be composed of nine individuals who are recognized experts in acquisition and procurement policy appointed by the Secretary. In making such appointments, the Secretary shall ensure that the members of the panel reflect diverse experiences in the public and private sector.

(3) The panel shall review laws, regulations, and practices that contribute to the expenses incurred by contractors for bids and proposals in the fiscal year concerned and recommend changes to such laws, regulations, and practices that may reduce expenses incurred by contractors for bids and proposals.

(4)(A) Not later than six months after the establishment of the panel, the panel shall submit to the Secretary and the congressional defense committees an interim report on the findings of the panel.

(B) Not later than one year after the establishment of the panel, the panel shall submit to the Secretary and the congressional defense committees a final report on the findings of the panel.

(5) The panel shall terminate on the day the panel submits the final report under paragraph (4)(B).

(6) The Secretary of Defense may use amounts available in the Department of Defense Acquisition Workforce Development Fund established under section 1705 of this title to support the activities of the panel established under this subsection.

(e) EFFECTIVE DATE.—The regulations prescribed under subsection (a) shall apply to indirect costs incurred on or after October 1, 2017.

(Added Pub. L. 114-328, div. A, title VIII, § 824(b)(1), Dec. 23, 2016, 130 Stat. 2278.)

§ 2373. Procurement for experimental purposes

(a) AUTHORITY.—The Secretary of Defense and the Secretaries of the military departments may each buy ordnance, signal, chemical activity, transportation, energy, medical, space-flight, telecommunications, and aeronautical supplies, including parts and accessories, and designs thereof, that the Secretary of Defense or the Secretary concerned considers necessary for experimental or test purposes in the development of the best supplies that are needed for the national defense.

(b) PROCEDURES.—Purchases under this section may be made inside or outside the United States and by contract or otherwise. Chapter 137 of this title applies only when such purchases are made in quantities greater than necessary for experimentation, technical evaluation, assessment of operational utility, or safety or to provide a residual operational capability.

(Added Pub. L. 103-160, div. A, title VIII, § 822(c)(1), Nov. 30, 1993, 107 Stat. 1706; amended Pub. L. 103-337, div. A, title X, § 1070(g), Oct. 5, 1994, 108 Stat. 2859; Pub. L. 104-106, div. A, title VIII, § 812, Feb. 10, 1996, 110 Stat. 395; Pub. L. 114-92, div. A, title VIII, § 814, Nov. 25, 2015, 129 Stat. 893; Pub. L. 115-232, div. A, title VIII, § 886, Aug. 13, 2018, 132 Stat. 1916.)

PRIOR PROVISIONS

Provisions similar to those in this section were contained in sections 4504 and 9504 of this title, prior to repeal by Pub. L. 103-160, § 822(c)(2).

AMENDMENTS

2018—Subsec. (a). Pub. L. 115-232 inserted “telecommunications,” after “space-flight.”

2015—Subsec. (a). Pub. L. 114-92, § 814(a), inserted “transportation, energy, medical, space-flight,” before “and aeronautical supplies”.

Subsec. (b). Pub. L. 114-92, § 814(b), substituted “only when such purchases are made in quantities greater than necessary for experimentation, technical evaluation, assessment of operational utility, or safety or to provide a residual operational capability” for “only when such purchases are made in quantity”.

1996—Subsec. (b). Pub. L. 104-106 inserted “only” after “applies” in second sentence.

1994—Subsec. (a). Pub. L. 103-337 substituted “chemical activity, and aeronautical supplies,” for “and chemical activity supplies.”

§ 2374. Merit-based award of grants for research and development

(a) It is the policy of Congress that an agency named in section 2303(a) of this title should not be required by legislation to award a new grant for research, development, test, or evaluation to a non-Federal Government entity. It is further the policy of Congress that any program, project, or technology identified in legislation be awarded through merit-based selection procedures.

(b) A provision of law may not be construed as requiring a new grant to be awarded to a specified non-Federal Government entity unless that provision of law—

(1) specifically refers to this subsection;

(2) specifically identifies the particular non-Federal Government entity involved; and

(3) specifically states that the award to that entity is required by such provision of law in contravention of the policy set forth in subsection (a).

(c) For purposes of this section, a grant is a new grant unless the work provided for in the grant is a continuation of the work performed by the specified entity under a preceding grant.

(d) This section shall not apply with respect to any grant that calls upon the National Academy of Sciences to investigate, examine, or experiment upon any subject of science or art of significance to an agency named in section 2303(a) of this title and to report on such matters to the

Congress or any agency of the Federal Government.

(Added Pub. L. 103-355, title VII, §7203(a)(2), Oct. 13, 1994, 108 Stat. 3380.)

EFFECTIVE DATE

For effective date and applicability of section, see section 10001 of Pub. L. 103-355, set out as an Effective Date of 1994 Amendment note under section 2302 of this title.

§ 2374a. Prizes for advanced technology achievements

(a) **AUTHORITY.**—The Secretary of Defense, acting through the Under Secretary of Defense for Research and Engineering, the Under Secretary of Defense for Acquisition and Sustainment, and the service acquisition executive for each military department, may carry out programs to award cash prizes and other types of prizes that the Secretary determines are appropriate to recognize outstanding achievements in basic, advanced, and applied research, technology development, and prototype development that have the potential for application to the performance of the military missions of the Department of Defense.

(b) **COMPETITION REQUIREMENTS.**—Each program under subsection (a) shall use a competitive process for the selection of recipients of cash prizes. The process shall include the widely-advertised solicitation of submissions of research results, technology developments, and prototypes.

(c) **LIMITATIONS.**—(1) No prize competition may result in the award of a prize with a fair market value of more than \$10,000,000.

(2) No prize competition may result in the award of more than \$1,000,000 in cash prizes without the approval of the Under Secretary of Defense for Research and Engineering.

(3) No prize competition may result in the award of a solely nonmonetary prize with a fair market value of more than \$10,000 without the approval of the Under Secretary of Defense for Research and Engineering.

(d) **RELATIONSHIP TO OTHER AUTHORITY.**—A program under subsection (a) may be carried out in conjunction with or in addition to the exercise of any other authority of an official referred to in that subsection to acquire, support, or stimulate basic, advanced and applied research, technology development, or prototype projects.

(e) **ACCEPTANCE OF FUNDS.**—In addition to such sums as may be appropriated or otherwise made available to the Secretary to award prizes under this section, the Secretary may accept funds or nonmonetary items from other departments and agencies of the Federal Government, from State and local governments, and from the private sector, to award prizes under this section. The Secretary may not give any special consideration to any private sector entity in return for a donation.

(f) **USE OF PRIZE AUTHORITY.**—Use of prize authority under this section shall be considered the use of competitive procedures for the purposes of section 2304 of this title.

(Added Pub. L. 106-65, div. A, title II, §244(a), Oct. 5, 1999, 113 Stat. 552; amended Pub. L.

107-314, div. A, title II, §248(a), Dec. 2, 2002, 116 Stat. 2502; Pub. L. 108-136, div. A, title X, §1031(a)(20), Nov. 24, 2003, 117 Stat. 1598; Pub. L. 109-163, div. A, title II, §257, Jan. 6, 2006, 119 Stat. 3184; Pub. L. 109-364, div. A, title II, §212, Oct. 17, 2006, 120 Stat. 2119; Pub. L. 111-84, div. A, title II, §253, Oct. 28, 2009, 123 Stat. 2243; Pub. L. 111-383, div. A, title IX, §901(j)(4), Jan. 7, 2011, 124 Stat. 4324; Pub. L. 113-66, div. A, title II, §263, Dec. 26, 2013, 127 Stat. 726; Pub. L. 113-291, div. A, title II, §211, Dec. 19, 2014, 128 Stat. 3324; Pub. L. 114-92, div. A, title X, §1079(a), Nov. 25, 2015, 129 Stat. 999; Pub. L. 114-328, div. A, title X, §1081(c)(6), Dec. 23, 2016, 130 Stat. 2420; Pub. L. 115-91, div. A, title II, §213, Dec. 12, 2017, 131 Stat. 1324; Pub. L. 115-232, div. A, title X, §1081(a)(21), Aug. 13, 2018, 132 Stat. 1984; Pub. L. 116-92, div. A, title II, §215, Dec. 20, 2019, 133 Stat. 1257.)

AMENDMENTS

2019—Subsec. (a). Pub. L. 116-92 substituted “Under Secretary of Defense for Research and Engineering, the Under Secretary of Defense for Acquisition and Sustainment,” for “Assistant Secretary of Defense for Research and Engineering”.

2018—Subsec. (e). Pub. L. 115-232 substituted “Federal Government,” for “Federal Government.,”.

2017—Subsec. (a). Pub. L. 115-91, §213(1), substituted “and other types of prizes that the Secretary determines are appropriate to recognize” for “in recognition of”.

Subsec. (c)(1). Pub. L. 115-91, §213(2)(A), substituted “prize with a fair market value of” for “cash prize of”.

Subsec. (c)(2). Pub. L. 115-91, §213(2)(B), substituted “Under Secretary of Defense for Research and Engineering” for “Under Secretary of Defense for Acquisition, Technology, and Logistics”.

Subsec. (c)(3). Pub. L. 115-91, §213(2)(C), added par. (3).

Subsec. (e). Pub. L. 115-91, §213(3), inserted “or nonmonetary items” after “accept funds”, substituted “, from State and local governments, and from the private sector” for “and from State and local governments”, and inserted at end “The Secretary may not give any special consideration to any private sector entity in return for a donation.”

Subsec. (f). Pub. L. 115-91, §213(4), amended subsec. (f) generally. Prior to amendment, text read as follows: “The authority to award prizes under subsection (a) shall terminate at the end of September 30, 2018.”

2016—Subsecs. (f), (g). Pub. L. 114-328, §1081(c)(6), made technical amendment to directory language of Pub. L. 114-92, §1079(a). See 2015 Amendment note below.

2015—Subsecs. (f), (g). Pub. L. 114-92, §1079(a), as amended by Pub. L. 114-328, §1081(c)(6), redesignated subsec. (g) as (f) and struck out former subsec. (f) which related to biennial reports.

2014—Subsec. (c)(1). Pub. L. 113-291, §211(a), substituted “No prize competition may result in the award of a cash prize of more than \$10,000,000.” for “The total amount made available for award of cash prizes in a fiscal year may not exceed \$10,000,000.”

Subsec. (e). Pub. L. 113-291, §211(b)(2), added subsec. (e). Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 113-291, §211(c)(3), substituted “BIENNIAL” for “ANNUAL” in heading.

Pub. L. 113-291, §211(b)(1), redesignated subsec. (e) as (f). Former subsec. (f) redesignated (g).

Subsec. (f)(1). Pub. L. 113-291, §211(c)(1), substituted “every other year” for “each year” and “two fiscal years” for “fiscal year”.

Subsec. (f)(2). Pub. L. 113-291, §211(c)(2), substituted “a period of two fiscal years” for “a fiscal year” in introductory provisions.

Subsec. (g). Pub. L. 113-291, §211(b)(1), redesignated subsec. (f) as (g).