

unless adequate consideration was first given to bids of firms in labor surplus areas of the United States, of small business firms, and of all other United States firms which had offered to furnish American goods, balance of payments, cost of shipping other than American goods, and any duty, tariff, or surcharge on such goods, was repealed and restated in section 2501 of this title by Pub. L. 100-370, §3(a), (c). Section 2501 of this title was renumbered section 2506 by Pub. L. 100-456, §821(b)(1)(A). Section 2506 of this title was renumbered section 2533 by Pub. L. 102-484, §4202(a).

§ 2302a. Simplified acquisition threshold

(a) **SIMPLIFIED ACQUISITION THRESHOLD.**—For purposes of acquisitions by agencies named in section 2303 of this title, the simplified acquisition threshold is as specified in section 134 of title 41.

(b) **INAPPLICABLE LAWS.**—No law properly listed in the Federal Acquisition Regulation pursuant to section 1905 of title 41 shall apply to or with respect to a contract or subcontract that is not greater than the simplified acquisition threshold.

(Added and amended Pub. L. 103-355, title IV, §§4002(a), 4102(a), Oct. 13, 1994, 108 Stat. 3338, 3340; Pub. L. 111-350, §5(b)(9), Jan. 4, 2011, 124 Stat. 3843.)

TRANSFER OF SECTION

Pub. L. 116-283, div. A, title XVIII, §§1801(d), 1823(b), Jan. 1, 2021, 134 Stat. 4151, 4205, provided that, effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, this section is transferred to chapter 251 of this title, as amended by section 1823(a) of Pub. L. 116-283, inserted after the table of sections, and redesignated as section 3571 of this title. See Effective Date of 2021 Amendment note below.

AMENDMENTS

2011—Subsec. (a). Pub. L. 111-350, §5(b)(9)(A), substituted “section 134 of title 41” for “section 4(11) of the Office of Federal Procurement Policy Act”.

Subsec. (b). Pub. L. 111-350, §5(b)(9)(B), substituted “section 1905 of title 41” for “section 33 of the Office of Federal Procurement Policy Act”.

1994—Subsec. (b). Pub. L. 103-355, §4102(a), added subsec. (b).

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

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.

§ 2302b. Implementation of simplified acquisition procedures

The simplified acquisition procedures contained in the Federal Acquisition Regulation pursuant to section 1901 of title 41 shall apply as provided in such section to the agencies named in section 2303(a) of this title.

(Added Pub. L. 103-355, title IV, §4203(a)(1), Oct. 13, 1994, 108 Stat. 3345; amended Pub. L. 111-350, §5(b)(10), Jan. 4, 2011, 124 Stat. 3843.)

TRANSFER OF SECTION

Pub. L. 116-283, div. A, title XVIII, §§1801(d), 1823(b), Jan. 1, 2021, 134 Stat. 4151, 4205, provided that, effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, this section is transferred to chapter 251 of this title, inserted after section 3571, and redesignated as section 3572 of this title. See Effective Date of 2021 Amendment note below.

AMENDMENTS

2011—Pub. L. 111-350 substituted “section 1901 of title 41” for “section 31 of the Office of Federal Procurement Policy Act”.

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

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.

§ 2302c. Repealed. Pub. L. 114-328, div. A, title VIII, § 833(b)(5)(A)(i), Dec. 23, 2016, 130 Stat. 2285]

Section, added Pub. L. 103-355, title IX, §9002(a), Oct. 13, 1994, 108 Stat. 3402; amended Pub. L. 105-85, div. A, title VIII, §850(f)(3)(A), Nov. 18, 1997, 111 Stat. 1850; Pub. L. 105-129, §1(a)(1), Dec. 1, 1997, 111 Stat. 2551; Pub. L. 106-65, div. A, title X, §1066(a)(18), Oct. 5, 1999, 113 Stat. 771; Pub. L. 107-107, div. A, title X, §1048(b)(2), Dec. 28, 2001, 115 Stat. 1225; Pub. L. 109-364, div. A, title X, §1071(a)(2), Oct. 17, 2006, 120 Stat. 2398; Pub. L. 111-350, §5(b)(11), Jan. 4, 2011, 124 Stat. 3843, related to implementation of electronic commerce capability.

§ 2302d. Major system: definitional threshold amounts

(a) **DEPARTMENT OF DEFENSE SYSTEMS.**—For purposes of section 2302(5) of this title, a system for which the Department of Defense is responsible shall be considered a major system if—

- (1) the total expenditures for research, development, test, and evaluation for the system are estimated to be more than \$115,000,000 (based on fiscal year 1990 constant dollars); or
- (2) the eventual total expenditure for procurement for the system is estimated to be more than \$540,000,000 (based on fiscal year 1990 constant dollars).

(b) **CIVILIAN AGENCY SYSTEMS.**—For purposes of section 2302(5) of this title, a system for which a civilian agency is responsible shall be considered a major system if total expenditures for the system are estimated to exceed the greater of—

- (1) \$750,000 (based on fiscal year 1980 constant dollars); or
- (2) the dollar threshold for a “major system” established by the agency pursuant to Office of Management and Budget (OMB) Circular A-109, entitled “Major Systems Acquisitions”.

(c) **ADJUSTMENT AUTHORITY.**—(1) The Secretary of Defense may adjust the amounts and the base fiscal year provided in subsection (a) on the basis of Department of Defense escalation rates.

(2) An amount, as adjusted under paragraph (1), that is not evenly divisible by \$5,000,000 shall be rounded to the nearest multiple of \$5,000,000. In the case of an amount that is evenly divisible by \$2,500,000 but not evenly divisible by \$5,000,000, the amount shall be rounded to the next higher multiple of \$5,000,000.

(3) An adjustment under this subsection shall be effective after the Secretary transmits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a written notification of the adjustment.

(Added Pub. L. 104-201, div. A, title VIII, §805(a)(2), Sept. 23, 1996, 110 Stat. 2605; amended Pub. L. 105-85, div. A, title X, §1073(a)(41), Nov. 18, 1997, 111 Stat. 1902; Pub. L. 106-65, div. A, title X, §1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 116-283, div. A, title XVIII, §§1806(c)(3), 1846(e)(1), Jan. 1, 2021, 134 Stat. 4155, 4249.)

AMENDMENT OF SECTION

Pub. L. 116-283, div. A, title XVIII, §§1801(d), 1806(c)(3), 1846(e)(1), Jan. 1, 2021, 134 Stat. 4151, 4155, 4249, provided that, effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, this section is amended as follows:

(1) by transferring subsections (a) and (b) to subsections (c) and (d), respectively, of section 3041 of this title; and

(2) by transferring subsection (c) to section 4202(b) and (c) of this title.

See 2021 Amendment notes below.

REPEAL OF SECTION

Pub. L. 116-283, div. A, title XVIII, §§1801(d), 1881(a), Jan. 1, 2021, 134 Stat. 4151, 4293, provided that, effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, this section is repealed.

AMENDMENTS

2021—Subsecs. (a), (b). Pub. L. 116-283, §1806(c)(3), redesignated subsecs. (a) and (b) as section 3041(c) and (d), respectively, of this title.

Subsec. (c). Pub. L. 116-283, §1846(e)(1), redesignated subsec. (c) as section 4202(b) and (c) of this title.

1999—Subsec. (c)(3). Pub. L. 106-65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1997—Subsec. (a)(2). Pub. L. 105-85 substituted “procurement for the system is estimated to be” for “procurement of”.

EFFECTIVE DATE OF REPEAL

Repeal effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

§ 2302e. Contract authority for development and demonstration of initial or additional prototype units

(a) **AUTHORITY.**—A contract initially awarded from the competitive selection of a proposal re-

sulting from a general solicitation referred to in section 2302(2)(B) of this title may contain a contract line item or contract option for—

(1) the development and demonstration or initial production of technology developed under the contract; or

(2) the delivery of initial or additional items if the item or a prototype thereof is created as the result of work performed under the contract.

(b) LIMITATIONS.—

(1) **MINIMAL AMOUNT.**—A contract line item or contract option described in subsection (a)(2) shall require the delivery of the minimal amount of initial or additional items to allow for the timely competitive solicitation and award of a follow-on development or production contract for those items.

(2) **TERM.**—A contract line item or contract option described in subsection (a) shall be for a term of not more than 2 years.

(3) **DOLLAR VALUE OF WORK.**—The dollar value of the work to be performed pursuant to a contract line item or contract option described in subsection (a) may not exceed \$100,000,000, in fiscal year 2017 constant dollars.

(4) **APPLICABILITY.**—The authority provided in subsection (a) applies only to the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.

(c) **PROCEDURES.**—The Secretary of Defense shall establish procedures to collect and analyze information on the use and benefits of the authority under this section and related impacts on performance, affordability, and capability delivery.

(Added Pub. L. 115-91, div. A, title VIII, §861(a)(1), Dec. 12, 2017, 131 Stat. 1493; amended Pub. L. 116-283, div. A, title VIII, §831(a), Jan. 1, 2021, 134 Stat. 3753.)

TRANSFER OF SECTION

Pub. L. 116-283, div. A, title XVIII, §§1801(d), 1818(c), Jan. 1, 2021, 134 Stat. 4151, 4188, provided that, effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, this section is transferred to chapter 243 of this title, inserted after section 3344, and redesignated as section 3345 of this title. See Effective Date of 2021 Amendment note below.

AMENDMENTS

2021—Pub. L. 116-283, §831(a)(1), substituted “development and demonstration” for “advanced development” in section catchline.

Subsec. (a)(1). Pub. L. 116-283, §831(a)(2), substituted “development and demonstration” for “provision of advanced component development, prototype.”

Subsec. (c). Pub. L. 116-283, §831(a)(3), added subsec. (c).

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by section 1818(c) of Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

§ 2303. Applicability of chapter

(a) This chapter applies to the procurement by any of the following agencies, for its use or oth-