

(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Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, this section is repealed.*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-