

preceding sentence”, “provisions of this chapter” for “provisions of this section”, and “under chapter 137 legacy provisions” for “under this chapter”. Former first sentence of subsec. (a) designated section 3322(a) of this title.

Subsec. (b). Pub. L. 116-283, §1817(b), (d)(2), transferred subsec. (b) of section 2306 of this title to this section, inserted heading, and designated first, second, and third sentences as pars. (1) to (3), respectively.

Subsec. (b)(1). Pub. L. 116-283, §1817(d)(2)(A)–(C), inserted heading and substituted “under chapter 137 legacy provisions” for “under this chapter” and “maintained by the contractor” for “maintained by him”.

Subsec. (b)(2). Pub. L. 116-283, §1817(d)(2)(E), inserted heading, inserted dash after “the United States” and subpar. (A) designation before “may annul”, substituted “liability; or” for “liability or”, and inserted subpar. (B) designation before “may deduct”.

Subsec. (b)(3). Pub. L. 116-283, §1817(d)(2)(F), inserted heading, inserted dash after “does not apply” and subpar. (A) designation before “to a contract that is”, substituted “threshold; or” for “threshold or”, and inserted subpar. (B) designation before “to a contract for the acquisition”.

EFFECTIVE DATE

Section and 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 an Effective Date of 2021 Amendment note preceding section 3001 of this title.

§ 3322. Cost contracts

(a) COST-PLUS-A-PERCENTAGE-OF-COST SYSTEM OF CONTRACTING PROHIBITED.—The cost-plus-a-percentage-of-cost system of contracting may not be used.

(b) COST-PLUS-A-FIXED-FEE CONTRACTS.—The fee for performing a cost-plus-a-fixed-fee contract for experimental, developmental, or research work may not be more than 15 percent of the estimated cost of the contract, not including the fee. The fee for performing a cost-plus-a-fixed-fee contract for architectural or engineering services for a public work or utility plus the cost of those services to the contractor may not be more than 6 percent of the estimated cost of that work or project, not including fees. The fee for performing any other cost-plus-a-fixed-fee contract may not be more than 10 percent of the estimated cost of the contract, not including the fee. Determinations under this subsection of the estimated costs of a contract or project shall be made by the head of the agency at the time the contract is made.

(c) ADVANCE NOTICE OF CERTAIN SUBCONTRACTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), each cost contract and each cost-plus-a-fixed-fee contract shall provide for notice to the agency by the contractor before the making, under the prime contract, of—

(A) a cost-plus-a-fixed-fee subcontract; or

(B) a fixed-price subcontract or purchase order involving more than the greater of (i) the simplified acquisition threshold, or (ii) 5 percent of the estimated cost of the prime contract.

(2) EXCEPTION.—Paragraph (1) shall not apply to a prime contract with a contractor that maintains a purchasing system approved by the contracting officer for the contract.

(Added and amended Pub. L. 116-283, div. A, title XVIII, §1817(a), (c), (e), (f), Jan. 1, 2021, 134 Stat. 4186, 4187.)

CODIFICATION

For derivation of subsec. (a) of this section, see Codification note related to subsec. (a) of section 2306 of this title set out under section 3321 of this title.

The text of subsec. (d) of section 2306 of this title, which was transferred to this section, redesignated as subsec. (b), and amended by Pub. L. 116-283, §1817(e), (f)(2), was based on act Aug. 10, 1956, ch. 1041, 70A Stat. 131.

The text of subsec. (e) of section 2306 of this title, which was transferred to this section, redesignated as subsec. (c), and amended by Pub. L. 116-283, §1817(e), (f)(3), was based on act Aug. 10, 1956, ch. 1041, 70A Stat. 131; Pub. L. 98-369, div. B, title VII, §2724, July 18, 1984, 98 Stat. 1193; Pub. L. 102-25, title VII, §701(d)(3), Apr. 6, 1991, 105 Stat. 114; Pub. L. 103-355, title IV, 4401(c), Oct. 13, 1994, 108 Stat. 3348; Pub. L. 108-136, div. A, title VIII, §842, Nov. 24, 2003, 117 Stat. 1552.

AMENDMENTS

2021—Subsec. (a). Pub. L. 116-283, §1817(c), (f)(1), transferred first sentence of subsec. (a) of section 3321 of this title to this section, designated it as subsec. (a), and inserted heading.

Subsec. (b). Pub. L. 116-283, §1817(e), (f)(2), redesignated subsec. (d) of section 2306 of this title as subsec. (b) of this section and inserted heading.

Subsec. (c). Pub. L. 116-283, §1817(e), (f)(3), redesignated subsec. (e) of section 2306 of this title as subsec. (c) of this section, inserted subsec. and par. headings, and realigned margin of par. (2).

EFFECTIVE DATE

Section and 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 an Effective Date of 2021 Amendment note preceding section 3001 of this title.

§ 3323. Cost-plus contracting prohibited for military construction and military family housing projects

(a) PROHIBITION.—A contract entered into by the United States in connection with a military construction project or a military family housing project may not use any form of cost-plus contracting.

(b) APPLICABILITY.—The prohibition specified in subsection (a)—

(1) is in addition to the prohibition specified in section 3322(a) of this title on the use of the cost-plus-a-percentage-of-cost system of contracting; and

(2) applies notwithstanding¹ a declaration of war or the declaration by the President of a national emergency under section 201 of the National Emergencies Act (50 U.S.C. 1621) that includes the use of the armed forces.

(Added and amended Pub. L. 116-283, div. A, title XVIII, §1817(a), (g), Jan. 1, 2021, 134 Stat. 4186, 4187.)

CODIFICATION

The text of subsec. (c) of section 2306 of this title, which was transferred to this section and amended by Pub. L. 116-283, §1817(g), was based on Pub. L. 112-81, div. B, title XXVIII, §2801(a), Dec. 31, 2011, 125 Stat. 1684.

¹ So in original. The period probably should not appear.

AMENDMENTS

2021—Subsec. (a). Pub. L. 116-283, §1817(g)(1), (2), re-designated subsec. (c) of section 2306 of this title as subsec. (a) of this section and inserted heading. Former second sentence of subsec. (a) designated subsec. (b).

Subsec. (b). Pub. L. 116-283, §1817(g)(1), (3), designated second sentence of subsec. (a) as subsec. (b), inserted heading, and substituted “The prohibition specified in subsection (a)—

“(1) is in addition to the prohibition specified in section 3322(a) of this title on the use of the cost-plus-a-percentage-of-cost system of contracting; and

“(2) applies notwithstanding a declaration” for “This prohibition is in addition to the prohibition specified in subsection (a) on the use of the cost-plus-a-percentage-of-cost system of contracting and applies notwithstanding a declaration”.

EFFECTIVE DATE

Section and 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 an Effective Date of 2021 Amendment note preceding section 3001 of this title.

§ 3324. Preference for fixed-price contracts

[Reserved].

(Added Pub. L. 116-283, div. A, title XVIII, §1817(a), Jan. 1, 2021, 134 Stat. 4186.)

EFFECTIVE DATE

Section 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 an Effective Date of 2021 Amendment note preceding section 3001 of this title.

CHAPTER 243—OTHER MATTERS RELATING TO AWARDING OF CONTRACTS

Sec.

- 3341. [Reserved].
3342. [Reserved].
3343. [Reserved].
3344. Disclosure of identity of contractor.
3345. Contract authority for advanced development of initial or additional prototype units.

PRIOR PROVISIONS

A prior chapter 243 “SPECIFIC TYPES OF CONTRACTS”, as added by Pub. L. 115-232, div. A, title VIII, §801(a), Aug. 13, 2018, 132 Stat. 1827, and consisting of reserved section 3351, was repealed by Pub. L. 116-283, div. A, title XVIII, §1816(b), Jan. 1, 2021, 134 Stat. 4182.

§ 3344. Disclosure of identity of contractor

The Secretary of Defense may disclose the identity or location of a person awarded a contract by the Department of Defense to any individual, including a Member of Congress, only after the Secretary makes a public announcement identifying the contractor. When the identity of a contractor is to be made public, the Secretary shall announce publicly that the contract has been awarded and the identity of the contractor.

(Added Pub. L. 97-295, §1(26)(A), Oct. 12, 1982, 96 Stat. 1291, §2316; renumbered §3344, Pub. L. 116-283, div. A, title XVIII, §1818(b), Jan. 1, 2021, 134 Stat. 4188.)

AMENDMENTS

2021—Pub. L. 116-283 renumbered section 2316 of this title as this section.

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.

§ 3345. 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 resulting from a general solicitation referred to in section 3012(2) 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, §2302e; renumbered §3345 and amended Pub. L. 116-283, div. A, title VIII, §831(a), title XVIII, §1818(c), Jan. 1, 2021, 134 Stat. 3753, 4188.)

PRIOR PROVISIONS

Prior sections 3351 and 3352 were renumbered sections 12211 and 12213 of this title, respectively.

Prior sections 3353 and 3354 were repealed by Pub. L. 103-337, div. A, title XVI, §§1629(a)(1), 1691(b)(1), Oct. 5, 1994, 108 Stat. 2963, 3026, effective Oct. 1, 1996.

Section 3353, added Pub. L. 85-861, §1(80)(B), Sept. 2, 1958, 72 Stat. 1468; amended Pub. L. 86-559, §1(8), June 30, 1960, 74 Stat. 265; Pub. L. 96-513, title II, §205(a), Dec. 12, 1980, 94 Stat. 2881; Pub. L. 97-22, §5(c), July 10, 1981, 95 Stat. 128; Pub. L. 98-94, title X, §1007(c)(3), Sept. 24, 1983, 97 Stat. 662; Pub. L. 100-180, div. A, title VII, §714(b), Dec. 4, 1987, 101 Stat. 1112; Pub. L. 103-160, div. A, title V, §509(b), Nov. 30, 1993, 107 Stat. 1647, related to service credit upon original appointment as reserve commissioned officer in Army. See section 12207 of this title.