

for which the contractual terms, specifications, or price are not agreed upon before performance is begun under the action.

(B) EXCLUSION.—The term “undefinitized contractual action” does not include contractual actions with respect to—

- (i) foreign military sales;
- (ii) purchases in an amount not in excess of the amount of the simplified acquisition threshold; or
- (iii) special access programs.

(2) QUALIFYING PROPOSAL.—The term “qualifying proposal” means a proposal that contains sufficient information to enable complete and meaningful audits of the information contained in the proposal as determined by the contracting officer.

(Added Pub. L. 111–281, title IV, § 402(a), Oct. 15, 2010, 124 Stat. 2938.)

REFERENCES IN TEXT

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (c)(3)(D), is Pub. L. 93–288, May 22, 1974, 88 Stat. 143, which is classified principally to chapter 68 (§ 5121 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of Title 42 and Tables.

PRIOR PROVISIONS

A prior section 567, act Aug. 4, 1949, ch. 393, 63 Stat. 541, related to jurisdiction of offenses, prior to repeal by act May 5, 1950, ch. 169, §§ 5, 14(v), 64 Stat. 145, 148, effective May 31, 1951.

§ 568. Guidance on excessive pass-through charges

(a) IN GENERAL.—Not later than 180 days after the date of enactment of the Coast Guard Authorization Act of 2010, the Commandant shall issue guidance to ensure that pass-through charges on contracts, subcontracts, delivery orders, and task orders that are entered into with a private entity acting as a lead systems integrator by or on behalf of the Coast Guard are not excessive in relation to the cost of work performed by the relevant contractor or subcontractor. The guidance shall, at a minimum—

- (1) set forth clear standards for determining when no, or negligible, value has been added to a contract by a contractor or subcontractor;
- (2) set forth procedures for preventing the payment by the Government of excessive pass-through charges; and
- (3) identify any exceptions determined by the Commandant to be in the best interest of the Government.

(b) EXCESSIVE PASS-THROUGH CHARGE DEFINED.—In this section the term “excessive pass-through charge”, with respect to a contractor or subcontractor that adds no, or negligible, value to a contract or subcontract, means a charge to the Government by the contractor or subcontractor that is for overhead or profit on work performed by a lower tier contractor or subcontractor, other than reasonable charges for the direct costs of managing lower tier contractors and subcontracts and overhead and profit based on such direct costs.

(c) APPLICATION OF GUIDANCE.—The guidance under this subsection shall apply to contracts

awarded to a private entity acting as a lead systems integrator by or on behalf of the Coast Guard on or after the date that is 360 days after the date of enactment of the Coast Guard Authorization Act of 2010.

(Added Pub. L. 111–281, title IV, § 402(a), Oct. 15, 2010, 124 Stat. 2940; amended Pub. L. 111–330, § 1(4), Dec. 22, 2010, 124 Stat. 3569.)

REFERENCES IN TEXT

The date of enactment of the Coast Guard Authorization Act of 2010, referred to in subsecs. (a) and (c), is the date of enactment of Pub. L. 111–281, which was approved Oct. 15, 2010.

PRIOR PROVISIONS

A prior section 568, act Aug. 4, 1949, ch. 393, 63 Stat. 542, related to time limitations between offense and prosecution, prior to repeal by act May 5, 1950, ch. 169, §§ 5, 14(v), 64 Stat. 145, 148, effective May 31, 1951.

AMENDMENTS

2010—Pub. L. 111–330 amended Pub. L. 111–281, § 402(a), which enacted this section.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111–330, § 1, Dec. 22, 2010, 124 Stat. 3569, provided that the amendment made by section 1(4) is effective with the enactment of Pub. L. 111–281.

§ 569. Report on former Coast Guard officials employed by contractors to the agency

(a) REPORT REQUIRED.—Not later than December 31, 2011, and annually thereafter, the Comptroller General of the United States shall submit a report to the appropriate congressional committees on the employment during the preceding year by Coast Guard contractors of individuals who were Coast Guard officials in the previous 5-year period. The report shall assess the extent to which former Coast Guard officials were provided compensation by Coast Guard contractors in the preceding calendar year.

(b) OBJECTIVES OF REPORT.—At a minimum, the report required by this section shall assess the extent to which former Coast Guard officials who receive compensation from Coast Guard contractors have been assigned by those contractors to work on contracts or programs between the contractor and the Coast Guard, including contracts or programs for which the former official personally had oversight responsibility or decisionmaking authority when they served in or worked for the Coast Guard.

(c) CONFIDENTIALITY REQUIREMENT.—The report required by this subsection shall not include the names of the former Coast Guard officials who receive compensation from Coast Guard contractors.

(d) ACCESS TO INFORMATION.—A Coast Guard contractor shall provide the Comptroller General access to information requested by the Comptroller General for the purpose of conducting the study required by this section.

(e) DEFINITIONS.—In this section:

(1) COAST GUARD CONTRACTOR.—The term “Coast Guard contractor” includes any person that received at least \$10,000,000 in contractor awards from the Coast Guard in the calendar year covered by the annual report.

(2) COAST GUARD OFFICIAL.—The term “Coast Guard official” includes former officers of the

Coast Guard who were compensated at a rate of pay for grade O-7 or above during the calendar year prior to the date on which they separated from the Coast Guard, and former civilian employees of the Coast Guard who served at any Level of the Senior Executive Service under subchapter VIII of chapter 53 of title 5, United States Code, during the calendar year prior to the date on which they separated from the Coast Guard.

(Added Pub. L. 111-281, title IV, § 402(a), Oct. 15, 2010, 124 Stat. 2940.)

PRIOR PROVISIONS

Prior sections 569 and 570 were repealed by act May 5, 1950, ch. 169, §§ 5, 14(v), 64 Stat. 145, 148, effective May 31, 1951.

Section 569, act Aug. 4, 1949, ch. 393, 63 Stat. 542, related to trial by civil authorities for offenses against United States.

Section 570, act Aug. 4, 1949, ch. 393, 63 Stat. 542, related to designation of any Federal prison for execution of sentence.

SUBCHAPTER II—IMPROVED ACQUISITION PROCESS AND PROCEDURES

§ 571. Identification of major system acquisitions

(a) IN GENERAL.—

(1) SUPPORT MECHANISMS.—The Commandant shall develop and implement mechanisms to support the establishment of mature and stable operational requirements for all acquisitions.

(2) MISSION ANALYSIS; AFFORDABILITY ASSESSMENT.—The Commandant may not initiate a Level 1 or Level 2 acquisition project or program until the Commandant—

(A) completes a mission analysis that—

(i) identifies the specific capability gaps to be addressed by the project or program; and

(ii) develops a clear mission need to be addressed by the project or program; and

(B) prepares a preliminary affordability assessment for the project or program.

(b) ELEMENTS.—

(1) REQUIREMENTS.—The mechanisms required by subsection (a) shall ensure the implementation of a formal process for the development of a mission-needs statement, concept-of-operations document, capability development plan, and resource proposal for the initial project or program funding, and shall ensure the project or program is included in the Coast Guard Capital Investment Plan.

(2) ASSESSMENT OF TRADE-OFFS.—In conducting an affordability assessment under subsection (a)(2)(B), the Commandant shall develop and implement mechanisms to ensure that trade-offs among cost, schedule, and performance are considered in the establishment of preliminary operational requirements for development and production of new assets and capabilities for Level 1 and Level 2 acquisitions projects and programs.

(c) HUMAN RESOURCE CAPITAL PLANNING.—The Commandant shall develop staffing predictions, define human capital performance initiatives, and identify preliminary training needs required

to implement each Level 1 and Level 2 acquisition project and program.

(Added Pub. L. 111-281, title IV, § 402(a), Oct. 15, 2010, 124 Stat. 2941.)

PRIOR PROVISIONS

A prior section 571, act Aug. 4, 1949, ch. 393, 63 Stat. 542, related to Treasury and Navy Department jurisdiction, prior to repeal by act May 5, 1950, ch. 169, §§ 5, 14(v), 64 Stat. 145, 148, effective May 31, 1951.

§ 572. Acquisition

(a) IN GENERAL.—The Commandant may not establish a Level 1 or Level 2 acquisition project or program until the Commandant—

(1) clearly defines the operational requirements for the project or program;

(2) establishes the feasibility of alternatives;

(3) develops an acquisition project or program baseline;

(4) produces a life-cycle cost estimate; and

(5) assesses the relative merits of alternatives to determine a preferred solution in accordance with the requirements of this section.

(b) SUBMISSION REQUIRED BEFORE PROCEEDING.—Any Coast Guard Level 1 or Level 2 acquisition project or program may not begin to obtain any capability or asset or proceed beyond that phase of its development that entails approving the supporting acquisition until the Commandant submits to the appropriate congressional committees the following:

(1) The key performance parameters, the key system attributes, and the operational performance attributes of the capability or asset to be acquired under the proposed acquisition project or program.

(2) A detailed list of the systems or other capabilities with which the capability or asset to be acquired is intended to be interoperable, including an explanation of the attributes of interoperability.

(3) The anticipated acquisition project or program baseline and acquisition unit cost for the capability or asset to be acquired under the project or program.

(4) A detailed schedule for the acquisition process showing when all capability and asset acquisitions are to be completed and when all acquired capabilities and assets are to be initially and fully deployed.

(c) ANALYSIS OF ALTERNATIVES.—

(1) IN GENERAL.—The Coast Guard may not acquire an experimental or technically immature capability or asset or implement a Level 1 or Level 2 acquisition project or program, unless it has prepared an analysis of alternatives for the capability or asset to be acquired in the concept and technology development phase of the acquisition process for the capability or asset.

(2) REQUIREMENTS.—The analysis of alternatives shall be prepared by a federally funded research and development center, a qualified entity of the Department of Defense, or a similar independent third-party entity that has appropriate acquisition expertise and has no financial interest in any part of the acquisition project or program that is the subject of