§ 2379. Requirement for determination by Secretary of Defense and notification to Congress before procurement of major weapon systems as commercial items

(a) REQUIREMENT FOR DETERMINATION AND NOTIFICATION.—A major weapon system of the Department of Defense may be treated as a commercial item, or purchased under procedures established for the procurement of commercial items, only if—

(1) the Secretary of Defense determines that—

(A) the major weapon system is a commercial item, as defined in section 4(12)\(^1\) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

(B) such treatment is necessary to meet national security objectives;

(2) the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for such system; and

(3) the congressional defense committees are notified at least 30 days before such treatment or purchase occurs.

(b) TREATMENT OF SUBSYSTEMS AS COMMERCIAL ITEMS.—A subsystem of a major weapon system (other than a commercially available off-the-shelf item as defined in section 35(c)\(^1\) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c))) shall be treated as a commercial item and purchased under procedures established for the procurement of commercial items only if—

(1) the subsystem is intended for a major weapon system that is being purchased, or has been purchased, under procedures established for the procurement of commercial items in accordance with the requirements of subsection (a); or

(2) the contracting officer determines in writing that—

(A) the subsystem is a commercial item, as defined in section 4(12)\(^1\) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

\(^1\) See References in Text note below.
(B) the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for such subsystem.

(c) Treatment of Components and Spare Parts as Commercial Items.—(1) A component or spare part for a major weapon system (other than a commercially available off-the-shelf item as defined in section 35(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c))) may be treated as a commercial item for the purposes of section 2306a of this title only if—

(A) the component or spare part is intended for—

(i) a major weapon system that is being purchased, or has been purchased, under procedures established for the procurement of commercial items in accordance with the requirements of subsection (a); or

(ii) a subsystem of a major weapon system that is being purchased, or has been purchased, under procedures established for the procurement of commercial items in accordance with the requirements of subsection (b); or

(B) the contracting officer determines in writing that—

(i) the component or spare part is a commercial item, as defined in section 4(12) of the Federal Procurement Policy Act (41 U.S.C. 403(12)); and

(ii) the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for such component or spare part.

(2) This subsection shall apply only to components and spare parts that are acquired by the Department of Defense through a prime contract or a modification to a prime contract (or through a subcontract under a prime contract or modification to a prime contract on which the prime contractor adds no, or negligible, value).

(3) The information submitted under paragraph (1) shall be sufficient to determine the reasonableness of the price.

(d) Information Submitted.—To the extent necessary to make a determination under subsection (a)(2), (b)(2), or (c)(1)(B), the contracting officer may request the offeror to submit—

(1) prices paid for the same or similar commercial items under comparable terms and conditions by both government and commercial customers; and

(2) if the contracting officer determines that the information described in paragraph (1) is not sufficient to determine the reasonableness of price, other relevant information regarding the basis for price or cost, including information on labor costs, material costs, and overhead rates.

(e) Delegation.—The authority of the Secretary of Defense to make a determination under subsection (a) may be delegated only to the Deputy Secretary of Defense, without further delegation.

(f) Major Weapon System Defined.—In this section, the term “major weapon system” means a weapon system acquired pursuant to a major defense acquisition program (as that term is defined in section 2430 of this title).


References in Text

Section 4(12) of the Office of Federal Procurement Policy Act, referred to in subsecs. (a)(1)(A), (b)(2)(A), and (c)(1)(B)(i), means section 4(12) of Pub. L. 93–400, which was classified to section 431(c) of former Title 41, Public Contracts, and was repealed and restated in section 103 of Title 41, Public Contracts, by Pub. L. 111–350, §§ 3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

Section 35(c) of the Office of Federal Procurement Policy Act, referred to in subsec. (b) and (c)(1), means section 35(c) of Pub. L. 93–400, which was classified to section 431(c) of former Title 41, Public Contracts, and was repealed and restated as section 104 of Title 41, Public Contracts, by Pub. L. 111–350, §§ 3, 7(b), Jan. 4, 2011, 124 Stat. 3677, 3855. For disposition of sections of former Title 41, see Disposition Table preceding section 101 of Title 41.

Amendments

2008—Subsec. (a)(2), (3). Pub. L. 110–181, § 815(a)(1)(A), added par. (2) and redesignated former par. (2) as (3).

Subsec. (b). Pub. L. 110–181, § 815(a)(1)(B), added subsec. (b) and struck out former subsec. (b). Former text read as follows: “A subsystem or component of a major weapon system shall be treated as a commercial item and purchased under procedures established for the procurement of commercial items if such subsystem or component otherwise meets the requirements (other than requirements under subsection (a)) for treatment as a commercial item.”

Subsecs. (c) to (f). Pub. L. 110–181, § 815(a)(1)(C), (D), added subsecs. (c) and (d) and redesignated former subsecs. (c) and (d) as (e) and (f), respectively.

Effective Date

Pub. L. 109–183, div. A, title VIII, § 803(b), Jan. 6, 2006, 119 Stat. 3371, provided that: “The amendments made by subsection (a) [enacting this section] shall take effect on the date of the enactment of this Act [Jan. 6, 2006], and shall apply to contracts entered into on or after such date.”

CHAPTER 141—MISCELLANEOUS PROCUREMENT PROVISIONS

Sec. 2381. Contracts: regulations for bids.

2382. Consolidation of contract requirements: policy and restrictions.

2383. Contractor performance of acquisition functions closely associated with inherently governmental functions.

2384. Supplies: identification of supplier and sources.

2384a. Supplies: economic order quantities.

2385. Arms and ammunition: immunity from taxation.

2386. Copyrights, patents, designs, etc.; acquisition.

2387. Procurement of table and kitchen equipment for officers’ quarters: limitation on.

[2388. Renumbered.]

2389. Ensuring safety regarding insensitive munitions.

2390. Prohibition on the sale of certain defense articles from the stocks of the Department of Defense.

2391. Military base reuse studies and community planning assistance.

2392. Prohibition on use of funds to relieve economic dislocations.

2393. Prohibition against doing business with certain offerors or contractors.

[2394, 2394a. Renumbered.]