**DFARS Case 2021-D025**

**(S) Contract Authority for Development and**

**Demonstration of Prototypes**

**Final Rule**

**PART 217—SPECIAL CONTRACTING METHODS**

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**217.202 Use of options.**

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(2) **[For a contract that is initially awarded from the competitive selection of a proposal resulting from a broad agency announcement,]** ~~S~~**[s]**ee 234.005-1 ~~for limitations on~~ **[for]** the use of contract options for the ~~provision of advanced component development, prototype,~~ **[development and demonstration]** or initial production of technology developed under the contract or the delivery of initial or additional items.

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**PART 234—MAJOR SYSTEM ACQUISITION**

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**234.005 General requirements.**

**234.005-1 Competition.**

A contract that is initially awarded from the competitive selection of a proposal resulting from a broad agency announcement **[(see 235.016)]** may contain a contract line item or contract option **[using funds not limited to those identified in 235.016]** for the ~~provision of~~ ~~advanced component development, prototype,~~ **[development and demonstration]** or initial production of technology developed under the contract**[,]** or 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**[,]** only when it adheres to the following limitations:

(1) The contract line item or contract option shall be limited to the **[delivery of the]** minimal amount of initial or additional ~~prototype~~ items **[or prototypes]** that will allow for timely competitive solicitation and award of a follow-on development or production contract for those items.

(2) The term of the contract line item or contract option shall be for not more than 2 years.

(3) The dollar value of the work to be performed pursuant to the contract line item or contract option shall not exceed $100 million in fiscal year 2017 constant dollars. (10 U.S.C. 2302e).

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**PART 235—RESEARCH AND DEVELOPMENT CONTRACTING**

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**235.006 Contracting methods and contract type.**

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**235.006-71 Competition.**

(a) Use of a broad agency announcement with peer or scientific review for the award of science and technology proposals in accordance with [235.016](https://www.acq.osd.mil/dpap/dars/dfars/html/current/235_0.htm#235.016)(a) fulfills the requirement for full and open competition (see [206.102](https://www.acq.osd.mil/dpap/dars/dfars/html/current/206_1.htm#206.102)(d)(2)).

(b) **[For a contract that is initially awarded from the competitive selection of a proposal resulting from a broad agency announcement,]** ~~S~~**[s]**ee [234.005-1](https://www.acq.osd.mil/dpap/dars/dfars/html/current/234_0.htm) for ~~limitations on~~ the use of contract line items or contract options for **[the development and demonstration or initial production of technology developed under the contract or the delivery of initial or additional items]** ~~the provision of~~ ~~advanced component development or prototypes~~ ~~of technology developed under a competitively awarded proposal~~.

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