§ 3304. Use of noncompetitive procedures

(a) **When Noncompetitive Procedures May Be Used.**— An executive agency may use procedures other than competitive procedures only when—

1. the property or services needed by the executive agency are available from only one responsible source and no other type of property or services will satisfy the needs of the executive agency;
2. the executive agency’s need for the property or services is of such an unusual and compelling urgency that the Federal Government would be seriously injured unless the executive agency is permitted to limit the number of sources from which it solicits bids or proposals;
3. it is necessary to award the contract to a particular source—
   - (A) to maintain a facility, producer, manufacturer, or other supplier available for furnishing property or services in case of a national emergency or to achieve industrial mobilization;
   - (B) to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a Federally funded research and development center;
   - (C) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government, in any trial, hearing, or proceeding before a court, administrative tribunal, or agency, whether or not the expert is expected to testify; or
   - (D) to procure the services of an expert or neutral for use in any part of an alternative dispute resolution or negotiated rulemaking process, whether or not the expert is expected to testify;
4. the terms of an international agreement or treaty between the Federal Government and a foreign government or an international organization, or the written directions of a foreign government reimbursing the executive agency for the cost of the procurement of the property or services for that government, have the effect of requiring the use of procedures other than competitive procedures;
5. subject to section 3105 of this title, a statute expressly authorizes or requires that the procurement be made through another executive agency or from a specified source, or the agency’s need is for a brand-name commercial item for authorized resale;
6. the disclosure of the executive agency’s needs would compromise the national security unless the agency is permitted to limit the number of sources from which it solicits bids or proposals; or
7. the head of the executive agency (who may not delegate the authority under this paragraph)—
   - (A) determines that it is necessary in the public interest to use procedures other than competitive procedures in the particular procurement concerned; and
   - (B) notifies Congress in writing of that determination not less than 30 days before the award of the contract.

(b) **Property or Services Deemed Available From Only One Source.**— For the purposes of subsection (a)(1), in the case of—

1. a contract for property or services to be awarded on the basis of acceptance of an unsolicited research proposal, the property or services are deemed to be available from only one source if the source has submitted an unsolicited research proposal that demonstrates a unique and innovative concept, the substance of which is not otherwise available to the Federal Government and does not resemble the substance of a pending competitive procurement; or
(2) a follow-on contract for the continued development or production of a major system or highly specialized equipment, the property may be deemed to be available only from the original source and may be procured through procedures other than competitive procedures when it is likely that award to a source other than the original source would result in—

(A) substantial duplication of cost to the Federal Government that is not expected to be recovered through competition; or

(B) unacceptable delay in fulfilling the executive agency’s needs.

(c) Property or Services Needed With Unusual and Compelling Urgency.—

(1) Allowable contract period.— The contract period of a contract described in paragraph (2) that is entered into by an executive agency pursuant to the authority provided under subsection (a)(2)—

(A) may not exceed the time necessary—

(i) to meet the unusual and compelling requirements of the work to be performed under the contract; and

(ii) for the executive agency to enter into another contract for the required goods or services through the use of competitive procedures; and

(B) may not exceed one year unless the head of the executive agency entering into the contract determines that exceptional circumstances apply.

(2) Applicability of allowable contract period.— This subsection applies to any contract in an amount greater than the simplified acquisition threshold.

(d) Offer Requests to Potential Sources.— An executive agency using procedures other than competitive procedures to procure property or services by reason of the application of paragraph (2) or (6) of subsection (a) shall request offers from as many potential sources as is practicable under the circumstances.

(e) Justification for Use of Noncompetitive Procedures.—

(1) Prerequisites for awarding contract.— Except as provided in paragraphs (3) and (4), an executive agency may not award a contract using procedures other than competitive procedures unless—

(A) the contracting officer for the contract justifies the use of those procedures in writing and certifies the accuracy and completeness of the justification;

(B) the justification is approved, in the case of a contract for an amount—

(i) exceeding $500,000 but equal to or less than $10,000,000, by the advocate for competition for the procuring activity (without further delegation) or by an official referred to in clause (ii) or (iii);

(ii) exceeding $10,000,000 but equal to or less than $50,000,000, by the head of the procuring activity or by a delegate who, if a member of the armed forces, is a general or flag officer or, if a civilian, is serving in a position in which the individual is entitled to receive the daily equivalent of the maximum annual rate of basic pay payable for level IV of the Executive Schedule (or in a comparable or higher position under another schedule); or

(iii) exceeding $50,000,000, by the senior procurement executive of the agency designated pursuant to section 1702 (c) of this title (without further delegation); and

(C) any required notice has been published with respect to the contract pursuant to section 1708 of this title and the executive agency has considered all bids or proposals received in response to that notice.

(2) Elements of justification.— The justification required by paragraph (1)(A) shall include—

(A) a description of the agency’s needs;
(B) an identification of the statutory exception from the requirement to use competitive procedures and a demonstration, based on the proposed contractor’s qualifications or the nature of the procurement, of the reasons for using that exception;

(C) a determination that the anticipated cost will be fair and reasonable;

(D) a description of the market survey conducted or a statement of the reasons a market survey was not conducted;

(E) a listing of any sources that expressed in writing an interest in the procurement; and

(F) a statement of any actions the agency may take to remove or overcome a barrier to competition before a subsequent procurement for those needs.

(3) **Justification allowed after contract awarded.**— In the case of a procurement permitted by subsection (a)(2), the justification and approval required by paragraph (1) may be made after the contract is awarded.

(4) **Justification not required.**— The justification and approval required by paragraph (1) are not required if—

(A) a statute expressly requires that the procurement be made from a specified source;

(B) the agency’s need is for a brand-name commercial item for authorized resale;

(C) the procurement is permitted by subsection (a)(7); or

(D) the procurement is conducted under chapter 85 of this title or section 8(a) of the Small Business Act (15 U.S.C. 637 (a)).

(5) **Restrictions on executive agencies.**—

(A) **Contracts and procurement of property or services.**— In no case may an executive agency—

(i) enter into a contract for property or services using procedures other than competitive procedures on the basis of the lack of advance planning or concerns related to the amount available to the agency for procurement functions; or

(ii) procure property or services from another executive agency unless the other executive agency complies fully with the requirements of this division in its procurement of the property or services.

(B) **Additional restriction.**— The restriction set out in subparagraph (A)(ii) is in addition to any other restriction provided by law.

(f) **Public Availability of Justification and Approval Required for Using Noncompetitive Procedures.**—

(1) **Time requirement.**—

(A) **Within 14 days after contract award.**— Except as provided in subparagraph (B), in the case of a procurement permitted by subsection (a), the head of an executive agency shall make publicly available, within 14 days after the award of the contract, the documents containing the justification and approval required by subsection (e)(1) with respect to the procurement.

(B) **Within 30 days after contract award.**— In the case of a procurement permitted by subsection (a)(2), subparagraph (A) shall be applied by substituting “30 days” for “14 days”.

(2) **Availability on websites.**— The documents referred to in subparagraph (A) of paragraph (1) shall be made available on the website of the agency and through a Government-wide website selected by the Administrator.

(3) **Exception to availability and approval requirement.**— This subsection does not require the public availability of information that is exempt from public disclosure under section 552 (b) of title 5.

### Historical and Revision Notes

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<tr>
<th>Revised Section</th>
<th>Source (U.S. Code)</th>
<th>Source (Statutes at Large)</th>
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<tr>
<td>3304(b)</td>
<td>41:253(d)(1).</td>
<td>In subsection (a)(7), the words “(who may not delegate the authority under this paragraph)” are substituted for 41:253(d)(2) to move the restriction closer to where it applies.</td>
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<tr>
<td>3304(c)</td>
<td>41:253(d)(3).</td>
<td>In subsection (e)(1)(B)(i), the words “advocate for competition” are substituted for “competition advocate” for consistency with section 1705 of the revised title.</td>
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<tr>
<td>3304(d)</td>
<td>41:253(e).</td>
<td>In subsection (e)(1)(B)(ii), the reference to section 5376 of title 5 is substituted for the reference to grade GS–16 or above under the General Schedule because of section 529 [title I, § 101(c)(1)] of the Treasury, Postal Service and General Government Appropriations Act, 1991 (Public Law 101–509, 104 Stat. 1442, 5 U.S.C. 5376 note ).</td>
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<tr>
<td>3304(e)</td>
<td>41:253(f)(1).</td>
<td>In subsection (e)(5)(B), the words “and not in lieu of” are omitted as unnecessary.</td>
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<tr>
<td>3304(f)</td>
<td>41:253(g).</td>
<td>In subsection (f)(2), the words “referred to in subparagraph (A) of paragraph (1)” are added for clarity.</td>
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### Senate Revision Amendment