SEC. 1073. DEFENSE RESEARCH AND DEVELOPMENT RAPID INNOVATION PROGRAM.

(a) PROGRAM ESTABLISHED.—The Secretary of Defense shall establish a competitive, merit-based program to accelerate the fielding of technologies developed pursuant to phase II Small Business Innovation Research Program projects, technologies developed by the defense laboratories, and other innovative technologies (including dual use technologies). The purpose of this program is to stimulate innovative technologies and reduce acquisition or lifecycle costs, address technical risks, improve the timeliness and thoroughness of test and evaluation outcomes, and rapidly insert such products directly in support of primarily major defense acquisition programs, but also other defense acquisition programs that meet critical national security needs.

(b) GUIDELINES.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall issue guidelines for the operation of the program. At a minimum such guidance shall provide for the following:

(1) The issuance of an annual broad agency announcement or the use of any other competitive or merit-based processes by the Department of Defense for candidate proposals in support of defense acquisition programs as described in subsection (a).

(2) The review of candidate proposals by the Department of Defense and by each military department and the merit-based selection of the most promising cost-effective proposals for funding through contracts, cooperative agreements, and other transactions for the purposes of carrying out the program.

(3) The total amount of funding provided to any project under the program shall not exceed $3,000,000, unless the Secretary, or the Secretary’s designee, approves a larger amount of funding for the project.

(4) No project shall receive more than a total of two years of funding under the program unless the Secretary, or the Secretary’s designee, approves funding for any additional year.

(5) Mechanisms to facilitate transition of follow-on or current projects carried out under the program into defense acquisition programs, through the authorities of section 819 of the National Defense Act for Fiscal Year 2010 (Public Law 111–84; 10 U.S.C. 2302 note) or such other authorities as may be appropriate to conduct further testing, low rate production, or full rate production of technologies developed under the program.
(6) Projects are selected using merit-based selection procedures and the selection of projects is not subject to undue influence by Congress or other Federal agencies.

(c) TREATMENT PURSUANT TO CERTAIN CONGRESSIONAL RULES.—Nothing in this section shall be interpreted to require or enable any official of the Department of Defense to provide funding under this section to any earmark as defined pursuant to House Rule XXI, clause 9, or any congressionally directed spending item as defined pursuant to Senate Rule XLIV, paragraph 5.

(d) FUNDING. Subject to the availability of appropriations for such purpose, the amounts authorized to be appropriated for research, development, test, and evaluation for each of fiscal years 2011 through 2015 may be used for any such fiscal year for the program established under subsection (a).

(e) TRANSFER AUTHORITY.—The Secretary may transfer funds available for the program to the research, development, test, and evaluation accounts of a military department, defense agency, or the unified combatant command for special operations forces pursuant to a proposal, or any part of a proposal, that the Secretary determines would directly support the purposes of the program. The transfer authority provided in this subsection is in addition to any other transfer authority available to the Department of Defense.

(f) TERMINATION. The authority to carry out a program under this section shall terminate on September 30, 2023. Any amounts made available for the program that remain available for obligation on the date the program terminates may be transferred under subsection (e) during the 180-day period beginning on the date of the termination of the program.
SEC. 819. CONTRACT AUTHORITY FOR ADVANCED COMPONENT DEVELOPMENT OR PROTOTYPE UNITS.

(a) Authority.--A contract initially awarded from the competitive selection of a proposal resulting from a general solicitation referred to in section 2302(2)(B) of title 10, United States Code, may contain a contract line item or contract option for--

(1) the provision of advanced component development, prototype, 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 prototype 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 12 months.
(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 the lesser of the amounts as follows:
   (A) The amount that is three times the dollar value of the work previously performed under the contract.
   (B) $20,000,000.
(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.
(5) Termination of authority. A military department or defense agency may not exercise a contract line item or contract option pursuant to the authority provided in subsection (a) after September 30, 2019.

10 U.S.C. SEC. 2302(2)(B) - DEFINITIONS.

(2) The term “competitive procedures” means procedures under which the head of an agency enters into a contract pursuant to full and open competition. Such term also includes—
   (B) the competitive selection for award of basic research proposals resulting from a general solicitation and the peer review or scientific review (as appropriate) of such proposals.