

## **GSA ORDER**

Subject: General Services Administration Acquisition Manual; GSAR Case 2020-G510, FSS Economic Price Adjustment

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Manual (GSAM).
2. Background. The General Services Administration (GSA) conducts routine reviews of its acquisition regulations and acquisition policies and procedures. The review indicated a need to standardize and simplify the Federal Supply Schedule (Schedule) clauses used for performing economic price adjustments.

Prior to this revision, Schedule contracts contained at least one of the following EPA clauses (i.e., a Schedule contract may include more than one EPA clause based on their offering and participation in Transactional Data Reporting (TDR)): (1) Alternate I of GSAR clause 552.216–70, Economic Price Adjustment-FSS Multiple Award Schedule Contracts; (2) an authorized deviation of GSAR clause 552.216–70; (3) clause I–FSS–969, Economic Price Adjustment-FSS Multiple Award Schedule; or (4) an Alternate to clause I–FSS–969.

This revision consolidates the four Schedule EPA clauses into a single Schedule EPA clause. The revision also removes several procedural limits contained in these clauses to better align with commercial standards and practices.

GSA anticipates these changes will increase the number and extent of offerings available through the Schedule program, improve customer satisfaction by ensuring needed products, services, and solutions are initially offered and are not removed from the Schedule program, and reduce administrative costs on Schedule contractors, particularly small businesses and new entrants.

3. Effective date. September 4, 2024

The Federal Acquisition Service Office of Policy and Compliance in coordination with the MAS Program Office are responsible for implementing this rule.

4. Explanation of changes. This amendment includes both non-regulatory and regulatory changes. For full text changes of the amendment see Attachment A, GSAR/M Text Line-In/Line-Out.

This amendment revises the language of the following GSAR/M parts as summarized below:

#### Part 501—General Services Administration Acquisition Regulation System

- Section 501.106 Table 1, is revised as follows:
  - Revise the entry for “516.506”.
  - Remove the entry for “552.216–70”; and
  - Add, in numerical order, entries for “552.238–83” and “552.238–120”.

#### Part 502—Definitions Of Words And Terms

- Revise section 502.101 to add, in alphabetical order, the definition of Economic price adjustment (EPA) method.

#### Part 538 Federal Supply Schedule Contracting

- Revise section 538.270 to add section 538.270-4 Use of economic price adjustments in FSS contracts. This is a non-regulatory revision.
- Revise section 538.273 to provide the prescription of 552.238-120, Economic Price Adjustment—Federal Supply Schedule Contracts.

#### Part 552 Solicitation Provisions And Contract Clauses

- Subpart 552.2 Text of Provisions and Clauses, is revised as follows:
  - Remove section 552.216–70, Economic Price Adjustment—FSS Multiple Award Schedule Contracts, and its Alternate I.
  - Revise section 552.238-112, Special Ordering Procedures for the Acquisition of Order-Level Materials, as follows:
    - Revising the date of the clause;
    - Removing paragraph (d)(10)(i);
    - Redesignating paragraphs (d)(10)(ii) and (iii) as paragraphs

(d)(10)(i) and (ii); and

- Adding new paragraph (d)(10)(iii).
  - Add section 552.238-120, Economic Price Adjustment—Federal Supply Schedule Contracts.
  - Subpart 552.3 Provision and Clause Matrixes, is revised as follows (i.e., this is non-regulatory revision):
    - Remove section 552.216–70, Economic Price Adjustment—FSS Multiple Award Schedule Contracts, and its Alternate I; and
    - Add section 552.238-120, Economic Price Adjustment—Federal Supply Schedule Contracts.
5. Cancellations. The following are hereby canceled:
- Class Deviation (CD) CD-2019-14, GSAR Class Deviation - GSAR Clause 552.216-70 Economic Price Adjustment—FSS Multiple Award Schedule Contracts, including any supplements issued. The CD retained certain clauses regarding economic price adjustments for Schedule contracts. The CD is no longer needed as the clauses retained under the CD are being replaced under this amendment.
  - Acquisition Letter MV-22-02, including any supplements issued, upon issuance of the modification to add 552.238-120 to FSS contracts. FAS's implementation of this rule must ensure the policy described in the AL continues (i.e., if a contract contains the limitations in a contractor's proposed EPA mechanisms, the CO shall not enforce them).
6. Point of contact. For clarification of content, contact the GSA Acquisition Policy Division, at [gsarpolicy@gsa.gov](mailto:gsarpolicy@gsa.gov). For information about implementation of this rule, contact the FAS Office of Policy and Compliance at [fasofficeofpolicyandcompliance@gsa.gov](mailto:fasofficeofpolicyandcompliance@gsa.gov).

Jeffrey Koses  
Senior Procurement Executive  
Office of Acquisition Policy  
Office of Government-wide Policy

## TAB A - Line-In/Line-Out

### GSAM Baseline: Change 185 effective 08/02/2024

- Additions to baseline made by rule are indicated by **[bold text in brackets]**
- Deletions to baseline made by rule are indicated by ~~strikethroughs~~
- Five asterisks (\* \* \* \* \*) indicate that there are no revisions between the preceding and following sections
- Three asterisks (\* \* \*) indicate that there are no revisions between the material shown within a subsection
- Regulatory GSAR language is indicated by shaded text
- Non-regulatory GSAM language is indicated by unshaded text

\* \* \* \* \*

### Part 501—General Services Administration Acquisition Regulation System

#### Subpart 501.1—Purpose, Authority, Issuance

\* \* \* \* \*

#### 501.106 OMB Approval under the Paperwork Reduction Act.

The Paperwork Reduction Act of 1980 (44 U.S.C. 35, et seq.) imposes a requirement on Federal agencies to obtain approval from the Office of Management and Budget (OMB) before collecting information from 10 or more members of the public. The information collection and recordkeeping requirements contained in this regulation have been approved by the OMB. This table includes OMB approved control numbers from GSA (3090 series) and the FAR (9000 series) that are applicable to GSA acquisition requirements. The following OMB control numbers apply:

Table 1 to 501.106

GSAR Reference	OMB Control No.
* * *	* * *
516.506	3090-0248[ <b>3090-0306</b> ]
* * *	* * *
509.105-1	3090-0007
* * *	* * *
552.215-73	3090-0163

552.216-70	3090-0235
* * *	* * *
552.238-82	3090-0302
<b>[552.238-83</b>	<b>3090-0235, 3090-0306]</b>
552.238-84	3090-0303
* * *	* * *
552.238-111	3090-0303
<b>[552.238-120</b>	<b>3090-0235, 3090-0306]</b>
552.239-70	3090-0300
* * *	* * *

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Part 502—Definitions of Words and Terms

Subpart 502.1—Definitions

502.101 Definitions.

\* \* \*

“Debaring official” or “suspending official” means the individual designated as GSA’s Suspension & Debarment Official.

**[Economic price adjustment (EPA) method means the agreed upon procedure by which pricing may be adjusted throughout the contract period to include, but not limited to, the mechanism(s) to be used to adjust pricing (e.g., adjustments based on established pricing), the pricing subject to adjustment, and any other requirements (e.g., timing, frequency, limits on increases).]**

**GSA Information System means an information system owned or operated by the U.S. General Services Administration or by a contractor or other organization on behalf of the U.S. General Services Administration including:”**

- (1) Cloud information system \* \* \*

\* \* \*

\* \* \* \* \*

## Part 538—Federal Supply Schedule Contracting

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### Subpart 538.2—Establishing and Administering Federal Supply Schedules

538.270 Solicitation, evaluation, and award of Federal Supply Schedule (FSS) contracts.

\* \* \* \* \*

#### **[538.270-4 Use of economic price adjustments in FSS contracts.**

The use of economic price adjustment (EPA) in FSS contracts helps ensure the Government is able to receive products, services, and solutions at fair and reasonable pricing throughout contract performance. EPAs provide for the increase or decrease of contract pricing based upon the occurrence of specified conditions described in the EPA method, such as market index changes or unforeseeable significant changes in market conditions.

(a) *Types of economic price adjustment.* The FSS program provides the following types of EPA:

(1) Adjustments based on fixed escalation rates (e.g, a fixed annual escalation rate).

(2) Adjustments based on a market index or other basis (e.g., U.S. Bureau of Labor Statistics' Employment Cost Index).

(3) Adjustments based on established pricing (e.g., a contractor's commercial price list, commercial catalog, or other standard market pricing).

(4) Adjustments based on unforeseeable significant changes in market conditions.

(b) *Exceptions.* The following types of price adjustments are not EPAs:

(1) Adjustments based on statute, Executive Order, or regulation (e.g., Service Contract Labor Standards (41 U.S.C. chapter 67) and AbilityOne procurements (FAR subpart 8.7)).

(2) Adjustments based on a change clause (e.g., paragraph (c) of 552.212-4).

(3) Price reductions based on 552.238-81, Price Reduction.

(4) Adjustments based on 552.238-117, Price Adjustment-Failure to Provide Accurate Information.

(5) Adjustments based on a contract clause that authorizes an adjustment based on specified actions or conditions.

(c) *General requirements.*

(1) The solicitation owner may establish EPA solicitation instructions and requirements (e.g., establish a ceiling percentage for a specified category).

(2) The FSS contracting officer is responsible for—  
(i) Evaluating the proposed EPA method;  
(ii) Incorporating the agreed-upon EPA method into the resultant contract; and  
(iii) Processing EPA requests in accordance with 552.238-120 and FAS policy.]

538.273 FSS solicitation provisions and contract clauses.

\* \* \*

(d) Insert the following clauses in FSS solicitations and contracts as an addendum to Clause FAR 52.212-4, Contract Terms and Conditions—  
Commercial Products and Commercial Services:

\* \* \*

**[(41) 552.238-120, Economic Price Adjustment—Federal Supply Schedule Contracts.]**

\* \* \*

\* \* \* \* \*

Part 552—Solicitation Provisions and Contract Clauses

\* \* \* \* \*

Subpart 552.2—Text of Provisions and Clauses

\* \* \* \* \*

~~552.216-70 Economic Price Adjustment—FSS Multiple Award Schedule Contracts.~~

~~As prescribed in 516.203-4(a), insert the following clause:~~

~~Economic Price Adjustment—FSS Multiple Award Schedule Contracts (SEP 1999)~~

~~Price adjustments include price increases and price decreases. Adjustments will be considered as follows:~~

~~(a) Contractors shall submit price decreases anytime during the contract period in which they occur. Price decreases will be handled in accordance with the provisions of the Price Reduction Clause.~~

~~(b) Contractors may request price increases under the following conditions:~~

~~(1) Increases resulting from a reissue or other modification of the Contractor's commercial catalog/pricelist that was used as the basis for the contract award.~~

- (2) Only three increases will be considered during the contract period.
- (3) Increases are requested after the first 30 days of the contract period and prior to the last 60 days of the contract period.
- (4) At least 30 days elapse between requested increases.
- (c) The aggregate of the increases in any contract unit price under this clause shall not exceed \_\_\_\_\* percent of the original contract unit price. The Government reserves the right to raise this ceiling where changes in market conditions during the contract period support an increase.
- (d) The following material shall be submitted with the request for a price increase:
- (1) A copy of the commercial catalog/pricelist showing the price increase and the effective date for commercial customers.
  - (2) Commercial Sales Practice format regarding the Contractor's commercial pricing practice relating to the reissued or modified catalog/price-list, or a certification that no change has occurred in the data since completion of the initial negotiation or a subsequent submission.
  - (3) Documentation supporting the reasonableness of the price increase.
- (e) The Government reserves the right to exercise one of the following options:
- (1) Accept the Contractor's price increases as requested when all conditions of (b), (c), and (d) of this clause are satisfied;
  - (2) Negotiate more favorable discounts from the new commercial prices when the total increase requested is not supported; or,
  - (3) Remove the product(s) from contract involved pursuant to the Cancellation Clause of this contract, when the increase requested is not supported.
- (f) The contract modification reflecting the price adjustment shall be signed by the Government and made effective upon receipt of notification from the Contractor that the new catalog/pricelist has been mailed to the addresses previously furnished by the Contracting Officer, provided that in no event shall such price adjustment be effective prior to the effective date of the commercial price increases. The increased contract prices shall apply to delivery orders issued to the Contractor on or after the effective date of the contract modification.

(End of clause)

\* Insert the percent appropriate at the time the solicitation is issued. This percentage should normally be 10 percent, unless based on a trend established by an appropriate index such as the Producer Prices and Price Index during the most recent 6-month period indicates that a different percentage is more appropriate. Any ceiling other than 10 percent must be approved by the contracting director.

Alternate I (SEP 1999). The following is substituted for paragraphs (b) and (c) of the clause:



(b) Contractors may request price increases to be effective on or after the first 12 months of the contract period providing all of the following conditions are met:

(1) Increases resulting from a reissue or other modification of the Contractor's commercial catalog/pricelist that was used as the basis for the contract award.

(2) No more than three increases will be considered during each succeeding 12-month period of the contract. (For succeeding contract periods of less than 12 months, up to three increases will be considered subject to the other conditions of this subparagraph (b)).

(3) Increases are requested before the last 60 days of the contract period.

(4) At least 30 days elapse between requested increases.

(c) In any contract period during which price increases will be considered, the aggregate of the increases during any 12-month period shall not exceed \* \_\_\_\_\_ percent of the contract unit price in effect at the end of the preceding 12-month period. The Government reserves the right to raise the ceiling when market conditions during the contract period support such a change.

\* Insert the percentage appropriate at the time the solicitation is issued. This percentage should be determined based on the trend established by an appropriate index such as the Producer Prices and Price Index. A ceiling of more than 10 percent must be approved by the contracting Director.

\* \* \* \* \*

#### 552.238-115 Special Ordering Procedures for the Acquisition of Order-Level Materials.

As prescribed in 538.7204(b), insert the following clause:

#### Special Ordering Procedures for the Acquisition of Order-Level Materials (APR 2022)[(September 2024)]

##### (a) *Definition.*

\* \* \*

(d) Procedures for including order-level materials when placing an individual task or delivery order against an FSS contract or FSS BPA.

\* \* \*

(10) Order-level materials are exempt from the following clauses:

(i) ~~552.216-70 Economic Price Adjustment – FSS Multiple Award Schedule Contracts.~~

(ii)[(i)] 552.238-77 Submission and Distribution of Authorized Federal Supply Schedule (FSS) Price Lists.

(iii)[(ii)] 552.238-81 Price Reductions.

[(iii) 552.238-120, Economic Price Adjustment—Federal Supply Schedule Contracts.]

(End of clause)

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**[552.238-120 Economic Price Adjustment—Federal Supply Schedule Contracts.**

As prescribed in 538.273(d), insert the following clause:

**552.238-120 Economic Price Adjustment—Federal Supply Schedule Contracts (September 2024)**

(a) *Definition. Economic price adjustment method*, as used in this clause, means the agreed upon procedures by which pricing may be adjusted throughout the contract period to include, but not limited to, the mechanism(s) to be used to adjust pricing (e.g., adjustments based on established pricing), the pricing subject to adjustment, and any other requirements (e.g., timing, frequency, limits on increases).

(b) *General*. This contract provides for economic price adjustment (EPA) to contract pricing based on the established EPA method. EPA provides for the increase and decrease to stated contract pricing upon the occurrence of specified conditions described in the EPA method, such as market index changes or unforeseeable significant changes in market conditions.

(c) *Exceptions*. This clause does not cover—

(1) Adjustments based on statute, Executive Order, or regulation (e.g., Service Contract Labor Standards (41 U.S.C. chapter 67) and AbilityOne procurements (FAR subpart 8.7));

(2) Adjustments based on a change clause (e.g., paragraph (c) of GSAR clause 552.212-4, Contract Terms and Conditions—Commercial Products and Commercial Services (FAR DEVIATION 52.212-4));

(3) Price reductions made under GSAR clause 552.238-81, Price Reductions;

(4) Adjustments based on GSAR clause 552.238-117, Price Adjustment-Failure to Provide Accurate Information; and

(5) Adjustments based on a contract clause that authorizes an adjustment based on specified actions or conditions.

(d) *Economic price adjustment method*. The EPA method may be revised through mutual agreement of the parties. In the event of a conflict between the EPA method and this contract, the contract shall control.

(e) *Submission requirements*. The Contractor shall submit EPA requests to the Federal Supply Schedule (FSS) Contracting Officer pursuant to the EPA method. EPA requests shall fully conform to the requirements of the EPA method and include sufficient information to support the request. The FSS Contracting Officer may request additional information from the Contractor.

(f) *Contracting Officer responsibilities*. The FSS Contracting Officer will—

- (1) Review the EPA request to ensure conformance with the EPA method,
- (2) Make a determination. The FSS Contracting Officer may use any information (e.g., market research) deemed necessary to support their determination. The FSS Contracting Officer may determine to—
- (i) Accept the EPA request either in whole or in part,
  - (ii) Reject the EPA request either in whole or in part, or
  - (iii) Take any other action deemed to be in the best interest of the Government (e.g., negotiate a more favorable EPA).
- (3) Notify the Contractor of their determination, and
- (4) Modify the contract, as applicable, to reflect the determination. Contract items that need to be removed from the contract as a result of rejection or an inability to reach agreement are to be removed in accordance with 552.238-79, Cancellation.
- (g) *Effective date.* EPA requests approved by the FSS Contracting Officer under this clause shall apply to orders issued on or after the effective date of the contract modification. Blanket Purchase Agreements (BPAs) may be modified by the ordering agency in accordance with the terms and conditions of the BPA.
- (h) *Update of contract pricing and catalog data.* The Contractor shall update its FSS pricing and any other FSS catalog data in accordance with the terms and conditions of this contract.

(End of clause)]

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Subpart 552.3 - Provision and Clause Matrixes

552.300 Scope of subpart.

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552.301-1 GSAM Matrix

Matrix of Provisions and Clauses:

			Format			Type of Contract																					
Number	Title	Prescription	P O R C	I B R	U C F	F P S U P	C R S U P	F P R & D	C R R & D	F P S V C	C R S V C	F P C O N	C R C O N	T & M L H	L M V	C O M S V C	D D R	A & E	F A C	I N D E L	T R N	S A P	U T L S V C	C I	F S S *	S T O C K *	
***																											
552.216-70	Economic Price Adjustment—FSS Multiple Award Schedule Contracts	516.203-4(c)	E	N	†																					A	
552.216-70 Alt I	Economic Price Adjustment—FSS Multiple Award Schedule Contracts-Alternate I	516.203-4(c)	E	N	†																					A	
***																											
[552.228-120	Economic Price Adjustment—Federal Supply Schedule Contracts	538.273(d)	C	N	I																					A	J
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