

## 52.216-3 Economic Price Adjustment-Semistandard Supplies.

As prescribed in 16.203-4(b), insert the following clause:

Economic Price Adjustment-Semistandard *Supplies* (Nov 2021)

(a) The Contractor warrants that the *supplies* identified as *line items* \_\_\_\_\_ [offeror insert *Schedule line item number*] in the Schedule are, except for modifications required by the contract specifications, *supplies* for which it has an established price. The term "established price" means a price that (1) is an established catalog or market price for a *commercial product* sold in substantial quantities to the general public, and (2) is the net price after applying any standard trade discounts offered by the Contractor. The Contractor further warrants that, as of the date of this contract, any difference between the unit prices stated in the contract for these *line items* and the Contractor's established prices for like quantities of the nearest commercial equivalents are due to compliance with contract specifications and with any contract requirements for preservation, packaging, and packing beyond standard commercial practice.

(b) The Contractor *shall* promptly notify the *Contracting Officer* of the amount and effective date of each decrease in any applicable established price. Each corresponding contract unit price (exclusive of any part of the unit price that reflects modifications resulting from compliance with specifications or with requirements for preservation, packaging, and packing beyond standard commercial practice) *shall* be decreased by the same percentage that the established price is decreased. The decrease *shall* apply to those items delivered on and after the effective date of the decrease in the Contractor's established price, and this contract *shall* be modified accordingly.

(c) If the Contractor's applicable established price is increased after the contract date, the corresponding contract unit price (exclusive of any part of the unit price resulting from compliance with specifications or with requirements for preservation, packaging, and packing beyond standard commercial practice) *shall* be increased, upon the Contractor's written request to the *Contracting Officer*, by the same percentage that the established price is increased, and the contract *shall* be modified accordingly, subject to the following limitations:

(1) The aggregate of the increases in any contract unit price under this clause *shall* not exceed 10 percent of the original contract unit price.

(2) The increased contract unit price *shall* be effective-

(i) On the effective date of the increase in the applicable established price if the *Contracting Officer* receives the Contractor's written request within 10 days thereafter; or

(ii) If the written request is received later, on the date the *Contracting Officer* receives the request.

(3) The increased contract unit price *shall* not apply to quantities scheduled under the contract for delivery before the effective date of the increased contract unit price, unless failure to deliver before that date results from causes beyond the control and without the fault or negligence of the Contractor, within the meaning of the Default clause.

(4) No modification increasing a contract unit price *shall* be executed under this paragraph (c) until the *Contracting Officer* verifies the increase in the applicable established price.

(5) Within 30 days after receipt of the Contractor's written request, the *Contracting Officer may* cancel, without liability to either party, any undelivered portion of the contract items affected by the requested increase.

(d) During the time allowed for the cancellation provided for in paragraph (c)(5) of this clause, and thereafter if there is no cancellation, the Contractor *shall* continue deliveries according to the contract delivery schedule, and the Government *shall* pay for such deliveries at the contract unit price, increased to the extent provided by paragraph (c) of this clause.

(End of clause)

**Parent topic:** [52.216 \[Reserved\]](#)