

## 14.408-4 Economic price adjustment.

(a) Bidder proposes economic price adjustment.

(1) When a *solicitation* does not contain an economic price adjustment clause but a bidder proposes one with a ceiling that the price will not exceed, the bid *shall* be evaluated on the basis of the maximum possible economic price adjustment of the quoted base price.

(2) If the bid is eligible for award, the *contracting officer shall* request the bidder to agree to the inclusion in the award of an approved economic price adjustment clause (see [16.203](#)) that is subject to the same ceiling. If the bidder will not agree to an approved clause, the award *may* be made on the basis of the bid as originally submitted.

(3) Bids that contain economic price adjustments with no ceiling *shall* be rejected unless a clear basis for evaluation exists.

(b) Government proposes economic price adjustment.

(1) When an invitation contains an economic price adjustment clause and no bidder takes exception to the provisions, bids *shall* be evaluated on the basis of the quoted prices without the allowable economic price adjustment being added.

(2) When a bidder increases the maximum percentage of economic price adjustment stipulated in the invitation or limits the downward economic price adjustment provisions of the invitation, the bid *shall* be rejected as nonresponsive.

(3) When a bid indicates deletion of the economic price adjustment clause, the bid *shall* be rejected as nonresponsive since the downward economic price adjustment provisions are thereby limited.

(4) When a bidder decreases the maximum percentage of economic price adjustment stipulated in the invitation, the bid *shall* be evaluated at the base price on an equal basis with bids that do not reduce the stipulated ceiling. However, after evaluation, if the bidder offering the lower ceiling is in a position to receive the award, the award *shall* reflect the lower ceiling.

**Parent topic:** [14.408 Award](#).