

CLIENT ALERT

A Bold New World? GSA Proposes to Swap Its Price Reduction Clause for Monthly Reporting of All Sales Under Schedule and Other Government-Wide GSA Contracts

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On March 4, 2015, GSA proposed to change dramatically the way it seeks to obtain the lowest and best price for items purchased off Federal Supply Schedule and other Government-wide GSA contracts by largely abandoning the Price Reduction Clause (and the consequent price monitoring of sales to "basis of award" customers) in favor of imposing a requirement that holders of such contracts report, on a monthly basis, specific information on all sales transactions (including unit prices) to authorized users. While the Price Reduction Clause has caused contractors significant compliance difficulties over the years, this proposal, which will be considered at a April 17 public meeting with written comments due May 4, is intended to provide government customers a powerful database tool by which to obtain the best deal from contractors based upon their actual price history and the ability to compare those unit prices with the actual prices being offered by competitors.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Alan W. H. Gourley

Partner – Washington, D.C.

Phone: +1 202.624.2561

Email: agourley@crowell.com

Adelicia R. Cliffe

Partner – Washington, D.C.

Phone: +1 202.624.2816

Email: acliffe@crowell.com

Olivia Lynch

Counsel – Washington, D.C.

Phone: +1 202.624.2654

Email: olynch@crowell.com