

CLIENT ALERT

Federal Acquisition Service Announces Temporary Increase in Availability of Economic Price Adjustments for Multiple Award Schedule Contractors

April 1, 2022

In light of the confluence of factors driving sustained inflation across the U.S. and global economies, including the current conflict in the Ukraine, ongoing recovery from the global pandemic, and other disruptions to global supply chains, the General Services Administration's ("GSA") Federal Acquisition Service published [Acquisition Letter MV-22-02](#) on March 17, 2022, announcing a temporary relaxation of certain limitations on Multiple Award Schedule Contractors' ability to obtain Economic Price Adjustments ("EPAs"). Specifically, the Acquisition Letter identifies various sections of certain EPA clauses that GSA does not intend to enforce until September 30, 2022 at the earliest, the effect of which will be to:

- Relax time limitations on EPA increases;
- Relax limits on the number of EPA increases a contractor may request;
- Lower the approval threshold for price increases above the EPA clause ceiling to one level above the Contracting Officer; and
- Clarify that contractors may add previously-removed items back to their MAS contracts at a higher price if the higher price can be determined fair and reasonable.

The specific clauses affected by these changes are:

- GSAR 552.216-70, Economic Price Adjustment—FSS Multiple Award Schedule Contracts, as well as Alternate I and Deviation II thereof;
- I-FSS-969, Economic Price Adjustment—FSS Multiple Award Schedule, as well as Alternate II thereof; and
- GSAR 552.216-71, Economic Price Adjustment—Special Order Program Contracts, as well as Alternates I and II thereof.

Specific details of the clause sections affected by these changes are detailed in Attachment A to the Acquisition Letter. Additionally, the scope of the Acquisition Letter is limited to GSA contracts specifically; for Federal Supply Schedule contracts administered by the Department of Veterans Affairs, application of the letter is discretionary.

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

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