

Client Alert

Federal Acquisition Service Extends and Enhances Temporary Economic Price Adjustment Authorities for Multiple Award Schedule Contractors

September 14, 2022

Not to be outdone by the Department of Defense's commitment to consider inflation relief, on September 12, 2022, the General Services Administration ("GSA") Federal Acquisition Service published a Supplement to Acquisition Letter MV-22-02, extending and enhancing policies to provide inflation relief to GSA Schedule contractors. As we previously explained, the original Acquisition Letter relaxed certain limitations on Schedule contractors' ability to obtain Economic Price Adjustments (EPAs). Specifically, it suspended limits on the frequency, size, and total number of EPAs a contractor could obtain during each contract term, while also lowering the approval threshold required for GSA to issue an EPA. The relief provided by the original Acquisition Letter was set to expire on September 30, 2022, but is now extended through at least March 31, 2023.

Furthermore, to streamline and expedite the issuance of EPAs, contracting officers will be authorized to directly issue EPAs—without needing to obtain additional approvals—for as long as the Supplement remains in effect. The Supplement nevertheless reminds contracting officers that EPAs must otherwise be consistent with the terms of the underlying contract.

As was the case under the original Acquisition Letter, the policies described in the Supplement apply only to Schedule contracts administered by GSA, and they are discretionary for Schedules administered by the Department of Veterans Affairs. Schedule contractors facing inflationary pressures should therefore review their contracts to confirm the availability of these relaxed EPA procedures.

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

Lorraine M. Campos

Partner – Washington, D.C.

Phone: +1.202.624.2786

Email: lcampos@crowell.com

Adelicia R. Cliffe

Partner – Washington, D.C.

Phone: +1.202.624.2816

Email: acliffe@crowell.com

Robert J. Sneckenberg

Partner – Washington, D.C.

Phone: +1.202.624.2874

Email: rsneckenberg@crowell.com

William B. O'Reilly

Counsel – Washington, D.C.

Phone: +1.202.624.2820

Email: woreilly@crowell.com