Defense Acquisition Regulations System, DoD  252.216–7000

PROPOSAL ADEQUACY CHECKLIST—Continued

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<td>33. FAR 16.4 ...............................................</td>
<td>If an incentive contract type, does the proposal include offeror proposed target cost, target profit or fee, share ratio, and, when applicable, minimum/maximum fee, ceiling price?</td>
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<td>34. FAR 16.203–4 and FAR 15.408 Table 15–2, Section II, Paragraphs A, B, C, and D.</td>
<td>If Economic Price Adjustments are being proposed, does the proposal show the rationale and application for the economic price adjustment?</td>
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<td>35. FAR 52.232–28 .....................................</td>
<td>If the offeror is proposing Performance-Based Payments—did the offeror comply with FAR 52.232–28?</td>
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<td>36. FAR 15.408(n) .......................................</td>
<td>Excessive Pass-through Charges—Identification of Subcontract Effort: If the offeror intends to subcontract more than 70% of the total cost of work to be performed, does the proposal identify: (i) the amount of the offeror’s indirect costs and profit applicable to the work to be performed by the proposed subcontractor(s); and (ii) a description of the added value provided by the offeror as related to the work to be performed by the proposed subcontractor(s)?</td>
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(End of provision)


252.216–7000 Economic price adjustment—basic steel, aluminum, brass, bronze, or copper mill products.

As prescribed in 216.203–4–70(a)(1), use the following clause:

ECONOMIC PRICE ADJUSTMENT—BASIC STEEL, ALUMINUM, BRASS, BRONZE, OR COPPER MILL PRODUCTS (MAR 2012)

(a) Definitions. As used in this clause—

Established price means a price which is an established catalog or market price for a commercial item sold in substantial quantities to the general public. Unit price excludes any part of the price which reflects requirements for preservation, packaging, and packing beyond standard commercial practice.

(b) As represented by the Contractor in its offer, the unit price stated for (identify the item) is not in excess of the Contractor’s established price in effect on the date set for opening of bids (or the contract date if this is a negotiated contract) for like quantities of the same item. This price is the net price after applying any applicable standard trade discounts offered by the Contractor from its catalog, list, or schedule price.

(c) The Contractor shall promptly notify the Contracting Officer of the amount and effective date of each decrease in any established price.

(1) Each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased.

(2) This decrease shall apply to items delivered on or after the effective date of the decrease in the Contractor’s established price.

(3) This contract shall be modified accordingly.

(d) If the Contractor’s established price is increased after the date set for opening of bids (or the contract date if this is a negotiated contract), upon the Contractor’s written request to the Contracting Officer, the corresponding contract unit price shall be increased by the same percentage that the established price is increased, and this contract shall be modified accordingly, provided—

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

(2) The increased contract unit price shall be effective on the effective date of the increase in the applicable established price if the Contractor’s written request is received by the Contracting Officer within ten days of the change. If it is not, the effective date of
252.216-7001 Economic price adjustment—nonstandard steel items.

As prescribed in 216.203-4-70(b), use the following clause:

ECONOMIC PRICE ADJUSTMENT—NONSTANDARD STEEL ITEMS (JUL 1997)

(a) Definitions. As used in this clause—

Base labor index means the average of the labor indices for the three months which consist of the month of bid opening (or offer submission) and the months immediately preceding and following that month.

Current labor index means the average of the labor indices for the month in which delivery of supplies is required to be made and the month preceding.

Current steel index means the Contractor’s established price (see note 6) for that item, including all applicable extras in effect at that time hourly earnings of the Contractor’s employees in the shop of the Contractor’s plant (see note 4) for any particular month.

Month means calendar month. However, if the Contractor’s accounting period does not coincide with the calendar month, then that accounting period shall be used in lieu of month.

(b) Each contract unit price shall be subject to revision, under the terms of this clause, to reflect changes in the cost of labor and steel. For purposes of this price revision, the proportion of the contract unit price attributable to costs of labor not otherwise included in the price of the steel item identified under the base steel index definition in paragraph (a) shall be ___ percent, and the proportion of the contract unit price attributable to the cost of steel shall be ___ percent. (See note 5.)

(c)(1) Unless otherwise specified in this contract, the labor index shall be computed by dividing the total straight time earnings of the Contractor’s employees in the shop identified in paragraph (a) for any given month by the total number of straight time hours worked by those employees in that month.

(2) Any revision in a contract unit price to reflect changes in the cost of labor shall be computed solely by reference to the “base labor index” and the “current labor index.”

(d) Any revision in a contract unit price to reflect changes in the cost of steel shall be computed solely by reference to the “base steel index” and the “current steel index.”