ECONOMIC PRICE ADJUSTMENTBASIC STEEL, ALUMINUMorM, BRASS, BRONZE, OR COPPER MILL PRODUCTS (1852.21670) (DEC 1988)

(a) The Contractor warrants that the unit price stated in this contract for does not exceed the Contractor's applicable established price in effect on the date set for opening bids (or the contract date if this is a negotiated contract) for like quantities of the same item. "Unit price" excludes any part of the pphorice reflecting requirements for preservation, packaging, and packing beyond standard commercial practice. "Established price" means a price that meets the criteria of paragraph 15.8043(c) of the Federal Acquisition Regulation as an established catalog or market price for a commercial item sold in substantial quantities to the general public. Such a price is the net price after applying any applicable standard trade discounts offered by the Contractor from its catalog, list, or schedule price.

(b) The Contractor shall promptly notify the Contracting Officer as to the amount and effective date of each decrease in any applicable established price, and each corresponding contract unit price shall be decreased by the same percentage that the established price is decreased. This decrease shall apply to items delivered on and after the effective date of the decrease in the Contractor's establlogished price, and this contract shall be modified accordingly. The Conicatractor shall certify (1) on each invoice that each unit price stated in the invoice reflects all decreases required by this clause or (2) on the final inl avnd oice that all price decreases required by this clause have been applied in the manner required by the clause.

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

(1) The aggregate of the increases in any contract unit price under this clause 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 established price, if the Conphytracting Officer receives the Contractor's written request within 10 days after the increase in the established price, but, if not, the effective date of increased unit price shall be the date of receipt by the Contracting Officer of the request;

(3) The increased contract unit price shall not apply to quantities scheduled under the contract for delivery before the effective date of the increased contract unit price unless the Contractor's failure to deliver before that date results from causes beyond the control and without the fault or negligence of the Contractor within the meaning of the Default clause of this contract; and

(4) No modification incorporating an increase in a unit price shall be executed under this clause until the Contracting Officer has verified the increase in the applicable established price.

(d) Within 30 days after receipt of the Contractor's written request, the Contracting Officer may cancel, without liability to either party, any portion of the contract affected by the requested increase and undelivered at the time of cancellation. sioHowever, if the Contractor certifies to the Contracting Officer by notice received within 10 days after the Contractor receives the cancellation notice that certain items were completed or in the process of manufacture at the time the Contractor received the cancellation notice, the Contractor may then deliver those items, and the Government shall pay for them at the increased contract unit price to the extent provided by paragraph (c) above. Any standard steel supply shall be deemed to be in the process of manufacture when the steel for it is in any state of processing after the beginning of the furnace melt.

(e) Pending any cancellation as provided in paragraph (d) above and thereafter if there is no cancellation, the Contractor shall continue deliveries according to the delivery schedule of the contract and shall be paid for them at the contract unit price increased to the extent provided by paragraph (c) above.

(End of clause)