



National Aeronautics and
Space Administration
Washington, DC 20546

Procurement Information Circular

PIC 14-01

March 13, 2014

Class Deviation from FAR 8.404(d) – Pricing Orders under Federal Supply Schedules

PURPOSE: This deviation provides authority to deviate from FAR 8.404(d). This deviation clarifies that NASA contracting officers and purchase card holders are responsible for determining fair and reasonable prices for orders placed against Federal Supply Schedule contracts.

BACKGROUND: FAR 8.404(d) includes language that is misleading. It implies that GSA has determined Federal Supply Schedule order prices to be fair and reasonable and that by following solicitation procedures, ordering activities can be assured of fair and reasonable pricing. GSA has determined that the prices *at the schedule level* are fair and reasonable. However, it is the responsibility of the contracting officer or purchase card holder to make a determination of price reasonableness for orders placed against Federal Supply Schedules.

GUIDANCE: Contracting officers and purchase card holders shall comply with the following policy, in lieu of FAR 8.404(d), Pricing, when using Federal Supply Schedules. Contracting officers and purchase card holders shall employ the price analysis techniques at FAR 15.404-1, as appropriate, to determine a fair and reasonable price for orders against Federal Supply Schedules.

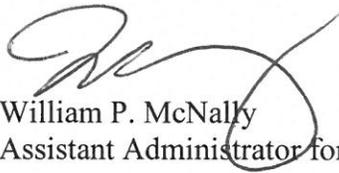
8.404(d) *Pricing*. (DEVIATION)

Supplies offered on the schedule are listed at fixed prices. Services offered on the schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair). GSA has determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, to be fair and reasonable for the purpose of establishing the schedule contract. GSA's determination does not relieve the ordering activity contracting officer from the responsibility of making a determination of fair and reasonable pricing for individual orders, BPAs, and orders under BPAs, using the proposal analysis techniques at 15.404-1. The complexity and circumstances of each acquisition should determine the level of detail of the analysis required.

EFFECTIVE DATE: This PIC is effective as dated and shall remain in effect until it is incorporated into the FAR or NASA FAR Supplement or is otherwise rescinded.

PROVISION AND CLAUSE CHANGES: None.

HEADQUARTERS CONTACT: Leigh Pomponio, Contract Management Division, (202) 358-0592, email: leigh.pomponio@nasa.gov.

A handwritten signature in black ink, appearing to read 'W. McNally', with a large, stylized flourish that loops back under the name.

William P. McNally
Assistant Administrator for Procurement