U.S. Department of Veterans Affairs

National Acquisition Center

Federal Supply Schedule Service

CONTRACTOR'S GUIDE TO COMMERCIAL SALES PRACTICE FORMAT

Applicable to all schedules except
6 21 I Professional and Allied Healthcare Staffing Services
and 66 III Cost Per Test Clinical Laboratory Analyzers

TABLE OF CONTENTS

Proposed Pricing Required Format 3

Proposed Pricing Spreadsheet Guide 4

Additional Discounts/Concessions Offered to the Government 7

Commercial Catalog / Pricelist 7

CSP-1 Commercial Sales Practices Format (Tailored) 8

(1) Annual Sales to General Public 8

(2) Estimated/Actual Annual Sales to Government 8

(3) Discounting Policies – Equal to or Better than MFC 9

(4a) Discounting Policies – Figure 515.4-2 9

Figure 515.4-2 Guide & Examples 10

(4b) Discounting Policies - Deviations 13

(5) Dealers/Resellers with Insignificant Sales 13

Instructions for Figure 515.4-2 (CSP-1) 14

The *Contractor's Guide to Commercial Sales Practice Format* represents the standard information required for a review of your Commercial Sales Practices disclosures. The examples provided are not inclusive of all situations. You may be asked to submit additional information to support your disclosed commercial practices.

The section below illustrates that format in which your proposed pricing must be submitted. A pre-formatted Excel spreadsheet with the below column headings, including some automatic calculations, is provided for your use in the Request for Modification (RFM) package.

A detailed explanation of each column is provided on the next three pages of this guide.

PROPOSED PRICING – REQUIRED FORMAT (DEC 2019)

Proposed Government pricing **shall be provided in an Excel spreadsheet** in the format below (also provided for your use as an Excel spreadsheet in Document 03) with submission of the proposal. The below column headings should appear consecutively in one Excel spreadsheet.

Product Information								Commercial List Price ($)
SIN#	Item #	Product Name / Description	[1]Total (comm. & gov't) units sold during Prior Fiscal Year (or a more recent 12-month period)	[1]Total (comm. & gov't) sales ($) during Prior Fiscal Year (or a more recent 12-month period)	Country of Origin	Name of Manufacturer (To be completed by resellers only)	Manufacturer Part Number	

Most Favored Customer (MFC)[2] Information			Proposed Tracking Customer (TC) Information				Total Gov't sales (FSS & open market) ($) during Prior Fiscal Year (or a more recent 12-month period)	FSS Information[3]		
MFC Net Price ($)	MFC % Off Comm. List Price	MFC Name	Proposed TC Name	TC Price ($)	TC % Off Comm. List Price	Total sales ($) to the Proposed TC during Prior Fiscal Year (or a more recent 12-month period)		Proposed FSS Price ($) without IFF[4]	Proposed FSS % Off Comm. List Price w/out IFF	Proposed FSS Price ($) with IFF

[1] **Prior Sales –** Provide your prior fiscal year sales (or a more recent 12-month period) for each item proposed, expressed both in number of units sold as well as sales dollars. Total sales should include both commercial and government sales.

[2] **Most Favored Customer (MFC) -** The commercial customer who receives the best upfront (guaranteed) discount. This is not inclusive of "conditional" discounts, such as prompt payment discounts, annual rebates based on reaching a threshold, etc., which must be listed in Fig 515.4-2.

[3] **F.O.B Destination -** All offered pricing is to be inclusive of shipping charges per clause 52.247-34 F.O.B Destination (clause included in Solicitation Document 01).

[4] **The Industrial Funding Fee (IFF) of 0.5%** shall be included in the final proposed FSS price (see 552.238-74) per the following calculation: Proposed FSS Price without IFF ***divided by*** 0.995.

PROPOSED PRICING SPREADSHEET GUIDE

SIN	List the Special Item Number (SIN) category in this column for each of your proposed products. If a product does not fit within one of the listed SIN categories, then it potentially does not fall within the scope of the Schedule. If you have questions regarding product scope, please contact your assigned Contract Specialist.
Item #	The item number must be listed for each proposed product and must be a unique identifier (i.e., you cannot list the same item number on more than one line). This item number should correspond to the item number listed in the commercial catalog/pricelist which you provide with your RFM.
Product Name / Description	The product name/description must fully describe the product. The description you list here will be a stand-alone description (without extra columns for unit of measure, etc.) displayed in our NAC Contract Catalog Search Tool (CCST). For example, you would not just list your product as "Blue Ink Pens" but rather as "300-Count Box of Retractable, Blue Ink Pens" or "Case of Six, 300-Count Boxes of Retractable Blue Ink Pens". The ordering activities must know exactly what the proposed pricing represents. ***Note: For schedule 621II, Medical Laboratory Testing and Analysis Services, the description must also include the assay method and all applicable CPT codes.***
[1]Total (comm. & gov't) units sold during Prior Fiscal Year (or a more recent 12-month period)	For each line item, list the number of units sold during your prior fiscal year or a more recent 12-month period. The total should include all units sold, both commercial sales and government sales.
[1]Total (comm. & gov't) sales ($) during Prior Fiscal Year (or a more recent 12-month period)	For each line item, list the dollar sales during your prior fiscal year or a more recent 12-month period. The total should include all sales, both commercial sales and government sales.
Country of Origin	You must list the country of origin for each product, utilizing the two-letter country codes provided on a separate tab in the Excel Spreadsheet. All products offered must be U.S.-made or designated country end products as defined in clause 52.225-5 Trade Agreements. When an item consists of components from various countries and the components are assembled in a designated country, the test to determine country of origin is substantial transformation (see FAR 25.001(c)(2)) and our Contractor Responsibilities webpage).

Name of Manufacturer (To be completed by resellers only)	If you are a dealer/distributor/reseller, list the name of the manufacturer for each line item being offered on the Price Proposal tab. Pursuant to clause I-FSS-644 Dealers and Suppliers, you will need to submit a Letter of Supply/Commitment from each manufacturer. Please see the information provided in this clause regarding acceptable Letters of Supply/Commitment in our solicitation and on our Contractor Responsibilities webpage.
Manufacturer Part Number	All offerors must provide this information for each line item, even if the manufacturer part number is the same as the item number listed in column 2.
Commercial List Price ($)	The commercial list price must be listed for each proposed line item. This should match the commercial pricelist/catalog provided with your proposal. The discount off list price (for your Most Favored Customer, the Tracking Customer, and the Government) will be calculated based upon the information populated in this column.
MFC Price ($)	In this column you will list the lowest price you charge any customer, known as the Most Favored Customer (MFC), for each line item. This is specific to each line item; therefore, the MFC may vary from item to item. In determining your lowest price, you should be looking for the lowest price currently received by any customer for each line item based upon the upfront (guaranteed) discount received. This is not inclusive of "conditional" discounts, such as prompt payment discounts, annual rebates based on reaching a threshold, etc., which must be listed in Fig 515.4-2.
MFC % Off Comm. List Price	This column represents your MFC discount off the commercial list price. This column will auto calculate to two percentage decimal places (e.g. 15.34%) based upon the commercial list pricing and MFC pricing already entered in the spreadsheet.
MFC Name	In this column you will list the name of the customer (MFC) whose pricing is the lowest offered price for each corresponding line item. Each MFC will need to be listed in Figure 515.4-2 per the instructions in clause CSP-1.
Proposed TC Name	In this column you will list the name of the customer or category of customers you wish to propose as the Tracking Customer (TC). You will need to complete this field for each proposed item. Be prepared to discuss your rationale for the TC you are proposing. The TC ratio (Government price without IFF divided by the TC price) serves as a "cap", impacting future price increases and decreases under your FSS contract pursuant to clauses 552.238-75 Price Reductions and 552.216-70 Economic Price Adjustment.
TC Price ($)	In this column you will list the price that the TC pays for each line item. If you are proposing different TCs for different line items, then make sure that the price you list corresponds to the TC listed in the previous column.

TC % Off Comm. List Price	This column represents your TC's discount off the commercial list price. This column will auto calculate to two percentage decimal places (e.g. 15.34%) based upon the commercial list pricing and TC pricing already entered in the spreadsheet.
Total sales ($) to the Proposed TC during Prior Fiscal Year (or a more recent 12-month period)	For each line item, list the dollar sales to the proposed Tracking Customer during your prior fiscal year or a more recent 12-month period.
Total Gov't sales (FSS & open market) ($) during Prior Fiscal Year (or a more recent 12-month period)	For each line item, list the dollar sales to the Government during your prior fiscal year or a more recent 12-month period. This should include both FSS sales as well as any open market sales to the Government.
Proposed FSS Price ($) without IFF	In this column you will list the price you wish to offer the Government for each line item. This represents the price without IFF which will be added two columns later. This price must be F.O.B. destination (see clause F-FSS-202-G Delivery Prices). ***Note: For Schedule 621II, see the description of "all-inclusive FSS price" in the RFM package.***
Proposed FSS % Off Comm. List Price w/out IFF	This column represents the Government's discount off the commercial list price. This column will auto calculate to two percentage decimal places (e.g. 15.34%) based upon the commercial list pricing and FSS pricing already entered in the spreadsheet.
Proposed FSS Price ($) with IFF	This column represents the proposed Government price inclusive of the Industrial Funding Fee (IFF). This column will auto calculate to two decimal places (e.g. $15.34). For more information on IFF, see clause 552.238-74 Industrial Funding Fee and Sales Reporting and visit our Contractor Responsibilities webpage.

Provide your offered terms to the Government for the requested terms/conditions. Indicate "NONE" by any term for which you are not offering a concession. If including an attachment to propose any term, please indicate "See Attachment" in the corresponding space.

ADDITIONAL DISCOUNTS / CONCESSIONS OFFERED TO THE GOVERNMENT (NOV 2018)

The offeror shall complete the table below with those concessions offered commercially and those offered to the Government at this time. If you are not offering a specific concession, please enter "NONE". Indicate "see attached" if you are including an attachment.

	Commercial Terms	Offered Government Terms
Quantity Discounts Include quantity requirement.		
Prompt Payment Discount *For direct orders*. Include terms, e.g. 5% 15, Net 30. Enter standard terms if no prompt payment is offered.		
Annual Rebates Provide detailed terms.		
Credit Card Acceptance Indicate "yes" or "no".		
Credit Card Acceptance over the Micro-Purchase Threshold* Indicate "yes" or "no".		
Credit Card Maximum Charge Limit Indicate "yes" or "no". If "yes", also enter maximum dollar amount.		

***Micro-Purchase Threshold:** As of the publication of this solicitation, the micro-purchase threshold is defined at FAR 2.101 as $3,500. This threshold has been revised by some agencies via a deviation to either reflect a specific dollar amount or to reference "the micro-purchase threshold" rather than referring to a specific dollar amount.*

Provide one copy of your current commercial pricelist upon which your discounts to the Government are based. The pricelist should be an Excel file which includes the title and date of the pricelist. An extract is acceptable provided that it is identified as such and includes the title and date of the pricelist from which the extract came.

Cross Reference: *The prices contained in the commercial pricelist you provide must match that listed on your proposed pricing Excel spreadsheet.*

COMMERCIAL CATALOG / PRICELIST

Offeror shall provide **one copy** of its current published (dated or otherwise identified) commercial descriptive catalogs and/or pricelist from which discounts are offered, as indicated in clause 552.212-70(c)(1) Preparation of Offers.

CSP-1 COMMERCIAL SALES PRACTICES FORMAT (TAILORED, FEB 2016)

List the company name below and the Special Item Number (SIN) categories for each proposed item.

Name of Offeror _____

SIN(s) _____

Note: Please refer to clause 552.212-70, PREPARATION OF OFFER (MULTIPLE AWARD SCHEDULE), for additional information concerning your offer. Provide the following information for each SIN (or group of SINs or SubSIN for which information is the same).

NOTE: The Contracting Officer may request additional information, such as commercial sales practices, copies of invoices, line item sales, etc., for verification of pricing, sales, and other data related to the proposed supplies or services to determine the reasonableness of price(s).

Sales to a Government prime vendor that are ultimately shipped to a Federal Government activity qualify as FSS sales, not commercial sales; therefore, these sales will not be considered for the purposes of determining significant commercial sales.

For the purposes of this document, the terms "commercial" and "general public" are synonymous and refer to any non-federal government entity.

In CSP-1 section (1) below, provide the total 12-month sales value to the general public and the time frame for that value. The 12-month period should be a recent 12-month period or your firm's last fiscal year. If a dollar value is not an appropriate measure, you may also list the number of units sold during a 12-month period.

(1) Provide the dollar value of sales **to the general public** at or based on an established catalog or market price during the previous 12-month period or the offerors last fiscal year:

$ ____.

State beginning and ending of the 12-month period. Beginning _____Ending ____.

In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).

In CSP-1 section (2) below, provide the SIN category and the 12-month value for estimated/actual sales to the Government. Use actual government sales (open-market or contract sales) if available. The time frame should be the same as that in section (1) above.

(2) Show your total projected annual sales **to the Government** under this contract for the contract term, excluding options, for each SIN offered. If you currently hold a Federal Supply Schedule contract for the SIN the total projected annual sales should be based on your most recent 12 months of sales under that contract.

SIN: _____ Projected/Actual Annual Sales: $ _____

SIN: _____ Projected/Actual Annual Sales: $ _____

Provide an explanation of how you arrived at the value provided above in section (2), e.g. actual open market government sales, actual FSS contract sales, a specified percentage of commercial sales, etc.

Note: How was this estimate calculated? Based on your firm's sales to the Federal marketplace (on contract or open market)? Based on a percentage of your commercial sales? Please provide

specific rationale in your response (e.g. "Based on 2% of commercial sales of $5 million", or "Based on actual, open market Federal Government sales"). _____

Carefully read CSP-1 question (3a) below, and answer yes or no. If you answer no, you must provide an explanation of why the offered government price, terms, and conditions are not equal to or better than those offered to any commercial customers. Be specific in your response.

(3) Based on your written discounting policies (standard commercial sales practices in the event you do not have written discounting policies), are the discounts and any concessions which you offer the Government equal to or better than your best price (discount and concessions in any combination) offered to any commercial customer acquiring the same items regardless of quantity or terms and conditions? YES ☐ NO ☐. (See definition of "concession" and "discount" in 552.212-70.)

NOTE: If you answer NO to this question, on an attachment provide an explanation of why the net prices, terms and conditions offered to the Government are not equal to or better than those offered to any commercial customer acquiring the same items. Please provide copies of your current commercial agreements or extract of your salient terms and conditions if not offering MFC pricing to the Government.

Complete the below table (Figure 515.4-2) either in the space provided, in the Excel spreadsheet, or on a separate attachment/spreadsheet. Instructions for completing this figure begin on page 14 of this guide followed by an explanation of each field, including specific examples.

Cross Reference: Each MFC listed on the Price Proposal spreadsheet should be listed in this figure.

(4) (a) Based on your written discounting policies (standard commercial sales practices in the event you do not have written discounting policies), provide information as requested for each SIN (or group of SINs for which the information is the same) in accordance with the instructions at Figure 515.4-2, which is provided in this solicitation for your convenience. The information should be provided in the chart below or in an equivalent format developed by the offeror. Rows should be added to accommodate as many customers as required.

Column 1—Customer	Column 2—Discount	Column 3—Quantity/Volume	Column 4—FOB Term	Column 5—Concessions

NOTE: The above chart (Figure 515.4-2) may be completed in Exhibit 03 – Proposal Price List Preparation in an Excel spreadsheet format.

FIGURE 515.4-2 EXPLANATIONS & EXAMPLES

Column 1 - Customer	In this column you should list the MFC as well as each customer or category of customers (e.g. wholesalers, GPOs, hospitals, etc.) who are receiving equal to or better pricing than that offered to the Government for any proposed item. Categories of customers for whom your discounting practices are the same (for all columns to the right, columns 2 – 5) may be grouped together in a single line. Each customer with different discounting practices must be listed on a separate line.

Column 2 - Discount	This column represents the best discount (as a percentage off the commercial list) at which you sell the offered products to the customer/category of customers listed in column 1. If the total discount is a combination of various discounts (upfront discount, prompt payment, quantity, etc.), then the percentage must be broken out for each type of discount. The "upfront" discount is that afforded to the customer at the time of order as a "guaranteed" discount rather than as a conditional discount (e.g. prompt payment discount). Below are examples of different discounting configurations.

Example Type	Column 1 - Customer	Column 2 - Discount
Single Upfront Discount *(no other percentage discounts)*	Customer A	25% - Upfront
Single Upfront Discount by Product Category *(no other percentage discounts)*	Customer B	Upfront Discounts: 12% - Pens 18% - Paper
Upfront Discount by Line Item *(no other percentage discounts)*	Customer C	Upfront Discounts: 12% - #1233 18% - #1234
Various Discounts Offered *(Single Upfront Discount)*	Customer D	<u>33% - Total Discount:</u> 25% - Upfront Discount 5% - Prompt Payment 3% - Annual Rebate
Various Discounts Offered *(Upfront Discount by Product Category)*	Customer E	<u>20% - Total Discount – Pens</u> 12% - Upfront – Pens <u>26% - Total Discount – Paper</u> 18% - Upfront - Paper <u>All Product Lines:</u> 5% - Prompt Payment 3% - Annual Rebate

If your discount practices vary by individual line item and you are offering a large number of items and have numerous customers listed in this figure, then you may initially list the percentage discount range for each customer for the offered products. However, be aware that you may be asked by your Contract Specialist or the VA's Office of Inspector General (OIG) to provide a breakdown by line item as this level of detail may be necessary for a determination of price reasonableness or a determination of the completeness and accuracy of your submission.

Example Type	Column 1 - Customer	Column 2 - Discount
Upfront Discount by Line Item Providing the High/Low Range: *CUSTOMER A:* *Product A: 13%* *Product B: 16%* *Product C: 12.5%* *Product D: 19%*	Customer A	12.5% - 19% - Upfront Discount

Column 3 – Quantity / Volume	This column describes what is required of the customer in column 1 in order for them to be afforded the discount(s) listed in column 2. Be specific when listing the requirement (e.g." 90% market share commitment contract" rather than "commitment contract"; "Minimum of $500,000 in purchases during calendar year" rather than "$500,000 in purchases"). Below are examples of various types of discounts.

Example Type	Column 2 - Discount	Column 3 – Quantity / Volume
Upfront discount with no commitment or requirement	25% - Upfront	None
Upfront discount based on market share agreement (%)	10% - Upfront	90% market share contract
Upfront Discount based on Market share agreement (sourcing)	15% - Upfront	Sole source agreement
Upfront discount based on minimum purchase commitment	12% - Upfront	Minimum of $500,000 in purchases during calendar year
Upfront discount based on value added services	12% - Upfront	Warehouse, distribute, and market products
Annual / Incentive Rebate	3% - Annual Rebate	On purchases over $250,000 during calendar year

Prompt Payment Discount	5% - Prompt Payment	5% 10 days, Net 30

Column 4 – FOB Term	In the preformatted Excel spreadsheet provided in the RFM package, this column has a drop-down box for you to select FOB Origin or FOB Destination. FOB Origin means that the item is "free on board" at the point of origin; in other words, the customer pays for the shipping. FOB Destination means that the item is "free on board" to the point of destination; in other words, the customer does not pay a separate shipping charge and the price of the item is inclusive of shipping. Please see clause 52.247-34 F.O.B. Destination for more information.

Column 5 - Concessions	This column represents any additional concessions afforded to the listed customer, such as freight allowance, extended warranty, extended price guarantees, free installation and bonus goods, as identified in clause 552.212-70 Preparation of Offer (Multiple Award Schedule).

Example Type	Column 1 - Customer	Column 5 - Concessions
Other Concessions	Customer A	Purchase 5 of the same item, get 1 free Free Shipping on orders over $1,000

FIGURE 515.4-2 COMPREHENSIVE EXAMPLE

Column 1 - Customer	Column 2 - Discount	Column 3 – Quantity / Volume	Column 4 – FOB Term	Column 5 - Concessions
Customer A	<u>33% - Total Discount:</u> 25% - Upfront 5% - Prompt Pay 3% - Annual Rebate	90% Market share contract 5% 10 days, Net 30 On purchases over $250,000 during calendar year	FOB Origin	Purchase 5 of the same item, get 1 free Free Shipping on orders over $1,000
Customer B	<u>20% - Total Discount – Pens</u> 12% - Upfront – Pens <u>26% - Total Discount – Paper</u> 18% - Upfront - Paper All Product Lines: 5% - Prompt Payment 3% - Annual Rebate	90% Market share contract 80% Market share contract 5% 10 days, Net 30	FOB Origin	Purchase 5 of the same item, get 1 free Free Shipping on orders over $1,000

		On purchases over $250,000 during calendar year		

Carefully read question 4(b) below, and answer yes or no. If you answer yes, you must provide an explanation of the circumstances under which you deviate from your written policies or standard commercial sales practices disclosed in Figure 515.4-2. Your narrative must include a discussion of specific situations, how often they occur, and the controls you use to assure pricing integrity.

(4) (b) Do any deviations from your written policies or standard commercial sales practices disclosed in the above chart ever result in better discounts (lower prices) or concessions than indicated? YES ☐ NO ☐. If YES, explain deviations in accordance with the instructions at Figure 515.4-2, which is provided in this solicitation for your convenience

NOTE: If you answer YES to this question, on an attachment provide an explanation of the circumstances under which you deviate from your written policies or standard commercial sales practices disclosed in the chart on the Commercial Sales Practices Format and explain how often they occur. Your explanation should include a discussion of situations that lead to deviations from standard practice, an explanation of how often they occur, and the controls you employ to assure the integrity of your pricing. Examples of typical deviations may include, but are not limited to, one-time goodwill discounts to charity organizations or to compensate an otherwise disgruntled customer; a limited sale of obsolete or damaged goods; the sale of sample goods to a new customer; or the sales of prototype goods for testing purposes.

NOTE: If deviations from your written policies or standard commercial sales practices disclosed in the chart on the Commercial Sales Practices Format are so significant and/or frequent that the Contracting Officer cannot establish whether the price(s) offered is fair and reasonable, then you may be asked to provide additional information. The Contracting Officer may ask for information to demonstrate that you have made substantial sales of the item(s) in the commercial market consistent with the information reflected on the chart on the Commercial Sales Practice Format, a description of the conditions surrounding those sales deviations, or other information that may be necessary in order for the Contracting Officer to determine whether your offered price(s) is fair and reasonable. In cases where additional information is requested, the Contracting Officer will target the request in order to limit the submission of data to that needed to establish the reasonableness of the offered price.

In CSP-1 question #5 below, when both of the following two criteria are met, offerors who are dealers/resellers are asked to provide the information listed in above paragraphs (1) - (4) as well as that listed below in sections a – f (also provided on a separate tab in the Excel spreadsheet):

(1) When the offeror does not have "significant sales" to the general public, AND

(2) When the total value of the manufacturer's sales by the offeror for the proposed products is expected to exceed $500,000 for the potential contract term (i.e. 10 years).

The reference to "significant sales" is not defined as it is examined on a case by case basis. For example, it may be more appropriate to judge significant sales based upon the number of units sold rather than by a dollar amount.

Note: Manufacturers may send the above information directly to the Contract Specialist assigned to the proposal rather than sending this information through the offeror.

(5) If you are a dealer/reseller without significant sales to the general public, you should provide manufacturers' information required by paragraphs (1) through (4) above for each item/SIN offered, if the manufacturer's sales under any resulting contract are expected to exceed $500,000. You must also obtain written authorization from the manufacturer(s) for Government access, at any time before award or before agreeing to a modification, to the manufacturer's sales records for the purpose of verifying the information submitted by the manufacturer. The information is required in order to enable the Government to make a determination that the offered price is fair and reasonable. To expedite the review and processing of offers, you should advise the manufacturer(s) of this requirement. The contracting officer may require the information be submitted on electronic media with commercially available spreadsheet(s). The information may be provided by the manufacturer directly to the Government. If the manufacturer's item(s) is being offered by multiple dealers/resellers, only one copy of the requested information should be submitted to the Government. In addition, you must submit the following information along with a listing of contact information regarding each of the manufacturers whose products and/or services are included in the offer (include the manufacturer's name, address, the manufacturer's contact point, telephone number, and FAX number) for each model offered by SIN:

(a) Manufacturer's Name

(b) Manufacturer's Part Number

(c) Dealer's/Reseller's Part Number

(d) Product Description

(e) Manufacturer's List Price

(f) Dealer's/Reseller's percentage discount from List Price or net prices

Figure 515.4-2—Instructions for Commercial Sales Practices Format

If you responded "YES" to question (3), on the COMMERCIAL SALES PRACTICES FORMAT, complete the chart in question (4)(a) for the customer(s) who receive your best discount. If you responded "NO" complete the chart in question (4)(a) showing your written policies or standard sales practices for all customers or customer categories to whom you sell at a price (discounts and concessions in combination) that is equal to or better than the price(s) offered to the Government under this solicitation or with which the Offeror has a current agreement to sell at a discount which equals or exceeds the discount(s) offered under this solicitation. Such agreement shall be in effect on the date the offer is submitted or contain an effective date during the proposed multiple award schedule

contract period. If your offer is lower than your price to other customers or customer categories, you will be aligned with the customer or category of customer that receives your best price for purposes of the Price Reduction clause at 552.238-75. The Government expects you to provide information required by the format in accordance with these instructions that is, to the best of your knowledge and belief, current, accurate, and complete as of 60 calendar days prior to its submission. You must also disclose any changes in your price list(s), discounts and/or discounting policies which occur after the offer is submitted, but before the close of negotiations. If your discount practices vary by model or product line, the discount information should be by model or product line as appropriate. You may limit the number of models or product lines reported to those which exceed 75% of actual historical Government sales (commercial sales may be substituted if Government sales are unavailable) value of the special item number (SIN).

Column 1—Identify the applicable customer or category of customer. A "customer" is any entity, except the Federal Government, which acquires supplies or services from the Offeror. The term customer includes, but is not limited to original equipment manufacturers, value added resellers, state and local governments, distributors, educational institutions (an elementary, junior high, or degree granting school which maintains a regular faculty and established curriculum and an organized body of students), dealers, national accounts, and end users. In any instance where the Offeror is asked to disclose information for a customer, the Offeror may disclose information by category of customer if the offeror's discount policies or practices are the same for all customers in the category. (Use a separate line for each customer or category of customer.)

Column 2—Identify the discount. The term "discount" is as defined in solicitation clause 552.212-70, Preparation of Offer (Multiple Award Schedule). Indicate the best discount (based on your written discounting policies or standard commercial discounting practices if you do not have written discounting policies) at which you sell to the customer or category of customer identified in column 1, without regard to quantity; terms and conditions of the agreements under which the discounts are given; and whether the agreements are written or oral. Net prices or discounts off of other price lists should be expressed as percentage discounts from the price list which is the basis of your offer. If the discount disclosed is a combination of various discounts (prompt payment, quantity, etc.), the percentage should be broken out for each type of discount. If the price lists which are the basis of the discounts given to the customers identified in the chart are different than the price list submitted upon which your offer is based, identify the type or title and date of each price list. The contracting officer may require submission of these price lists. To expedite evaluation, offerors may provide these price lists at the time of submission.

Column 3—Identify the quantity or volume of sales. Insert the minimum quantity or sales volume which the identified customer or category of customer must either purchase/order, per order or within a specified period, to earn the discount. When purchases/orders must be placed within a specified period to earn a discount indicate the time period.

Column 4—Indicate the FOB delivery term for each identified customer. See FAR 47.3 for an explanation of FOB delivery terms.

Column 5—Indicate concessions regardless of quantity granted to the identified customer or category of customer. Concessions are defined in solicitation clause 552.212-70, Preparation of Offers (Multiple Award Schedule). If the space provided is inadequate, the disclosure should be made on a separate sheet by reference.

If you respond "YES" to question 4 (b) in the Commercial Sales Practices Format, provide an explanation of the circumstances under which you deviate from your written policies or standard commercial sales

practices disclosed in the chart on the Commercial Sales Practices Format and explain how often they occur. Your explanation should include a discussion of situations that lead to deviations from standard practice, an explanation of how often they occur, and the controls you employ to assure the integrity of your pricing. Examples of typical deviations may include, but are not limited to, one time goodwill discounts to charity organizations or to compensate an otherwise disgruntled customer; a limited sale of obsolete or damaged goods; the sale of sample goods to a new customer; or the sales of prototype goods for testing purposes.

If deviations from your written policies or standard commercial sales practices disclosed in the chart on the Commercial Sales Practices Format are so significant and/or frequent that the Contracting Officer cannot establish whether the price(s) offered is fair and reasonable, then you may be asked to provide additional information. The Contracting Officer may ask for information to demonstrate that you have made substantial sales of the item(s) in the commercial market consistent with the information reflected on the chart on the Commercial Sales Practice Format, a description of the conditions surrounding those sales deviations, or other information that may be necessary in order for the Contracting Officer to determine whether your offered price(s) is fair and reasonable. In cases where additional information is requested, the Contracting Officer will target the request in order to limit the submission of data to that needed to establish the reasonableness of the offered price.