

Incentive Price Revision--Successive Targets - Alternate I (February 2003)

If the contract calls for supplies or services to be ordered under a provisioning document or Government option and the prices are to be subject to the incentive price revision described in the basic clause, add the following paragraph (q) to the basic clause:

(q) Provisioning and options. Parts, other supplies, or services that are to be furnished under this contract on the basis of a provisioning document or Government option shall be subject to price revision in accordance with this clause. Any prices established for these parts, other supplies, or services under a provisioning document or Government option shall be treated as initial target prices, or target prices as agreed upon and stipulated in the pricing document supporting the provisioning or added items. Initial or firm target costs and profits and final prices covering these parts, other supplies, or services may be established separately, in the aggregate, or in any combination, as the parties may agree.

PRESCRIPTION

Should be used when the contract calls for supplies or services to be issued under a provisioning document or option and prices will be subject to incentive price revisions.