

### **3.2.2.3-29 Integrity of Unit Prices (July 2003)**

(a) If the offeror (you) want to negotiate prices for items, you must distribute costs so prices are proportionate to the items' base cost (for example, manufacturing or acquisition costs). Do not distort unit prices in distributing costs to line items. For example, distribute costs equally among line items only if there is little or no variation in base cost. You do not need to submit cost or pricing data not otherwise required by law or regulation.

(b) The requirement in paragraph (a) does not apply to:

- (1) Any contract or subcontract item of supply for which the unit price is, or is based on, an established catalog or market price for a commercial item sold in substantial quantities to the general public. A price is based on an established catalog or market price only if the item being purchased is sufficiently similar to the catalog or market price commercial item to ensure that any difference in prices can be identified and justified without resort to cost analysis; or
- (2) An item qualifying for a commercial item exception to cost or pricing data.

(c) You must also identify those supplies you will not manufacture or to which you will not contribute significant value when the Contracting Officer (CO) requests this information. The FAA will not require this information for commercial items sold in substantial quantities to the general public when the price is, or is based on, established catalog or market prices.

(d) You must insert the substance of this clause, except paragraph (c), in all subcontracts.

(End of provision)

### **PRESCRIPTION**

May be used in all SIR's and contracts except: (a) construction or architect-engineer services, (b) utility services contracts where supplies are not required, (c) contracts for petroleum products, and (d) service contracts where supplies are not required..