



Commercial Selling Practices

Most Favored Customer

The most favored customer (MFC) is the customer or class of customer that receive(s) the best discount and/or price agreement on a given item from a supplier, regardless of terms and conditions. The term includes any entity which does business with the supplier. In MAS contracting, the Government's negotiation objectives are developed based on a comparison of the MFC arrangement. This is a required disclosure.

Best Price

The best price is the lowest net price at which an offeror sells to its MFC without regard to quantity, terms and conditions of the agreements, location, and whether the agreements are written or oral. If the price is a combination of various discounts/concessions each type of discount/concession should be fully identified and explained.

Assistance

For questions related to commercial sales practice disclosures contact: helpdesk.ammhinfss@va.gov

In accordance with Figure 515.4-2, Instructions for Commercial Sales Practices Format, vendors are required to submit full commercial sales disclosures for general public customers that receive discounts and/or price agreements that are equal to or more favorable than those offered to the Government. The Government expects that the information provided is, to the best of your knowledge and belief, current, accurate, and complete as of 14 calendar days prior to submission. You must also disclose any changes to your proposed price list(s), discounts, and/or discounting policies that occur after submitting your offer but prior to the close of negotiations.

What You Need to Know... Commercial Sales Criteria

To qualify for a VA FSS contract you should be able to demonstrate that your firm is responsible. It is recommended that your firm

- Be in business for at least two (2) years prior to submitting a proposal.
- Have \$150,000 in commercial sales or \$25,000 in Government sales for the proposed line items.

Deviations

You are required to explain any instances in which your firm deviates from your standard commercial practices and pricing policies. Your explanation should include a discussion of situations that lead to such deviations, how often they occur, and the controls employed to assure the integrity of your pricing policies.

Deviations include, but are not limited to, one time good will discounts to charity organizations and disgruntled customers; limited sale of obsolete or damaged goods; sample goods to a new customer; and sale of prototype goods for testing purposes.

Best Practices

1. Pricing submitted should be in alignment with the vendor's standard commercial practices and pricing policies.
2. Be prepared to provide supporting documentation that your proposed pricing is based on your standard commercial practices and pricing policies.
3. You are obligated to disclose the *best price* offered to your most favored commercial customers.
4. If the price offered to the Government is not equal to that offered to the identified MFC, provide supporting documentation to justify your position.



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