

## 538.272 MAS price reductions.

(a) *Applicability.* This section applies when the contract contains the basic clause [552.238-80](#) Industrial Funding Fee and Sales Reporting.

(b) The basic clause and Alternate I of [552.238-81](#), Price Reductions, requires the contractor to maintain during the contract period the negotiated price/discount relationship (and/or term and condition relationship) between the eligible ordering activities and the offeror's customer or category of customers on which the contract award was predicated (see [538.271](#)). If a change occurs in the contractor's commercial pricing or discount arrangement applicable to the identified commercial customer (or category of customers) that results in a less advantageous relationship between the eligible ordering activities and this customer or category of customers, the change constitutes a "price reduction."

(c) Ensure that the contractor understands the requirements of section [552.238-81](#) and agrees to report all price reductions to the Contracting Officer as provided for in the clause.

**Parent topic:** [Subpart 538.2 - Establishing and Administering Federal Supply Schedules](#)