

Publications

September 24, 2025 • Updates

Tariff Tensions Prompt VA to Rethink Contractor Pricing

Amid expanding and increasingly complex tariff schemes, the Department of Veterans Affairs (VA) is taking a closer look at the ripple effects on its Federal Supply Schedule (FSS) contracts.

Traditionally, economic price adjustment (EPA) clauses in these contracts — which allow for contract price changes tied to market shifts — have excluded price hikes stemming from statutes, regulations or executive orders, including tariffs. But with tariffs on imports climbing, the VA issued a request for information (RFI) asking FSS contractors how tariffs have affected, or may affect, their pricing, and whether they anticipate raising commercial or government price lists as a result.

Tariffs Could Reshape How VA Handles Price Adjustments

On its face, the RFI aims to assess the potential financial impacts tariffs may have on its contractors. But read in context, the move signals a potential shift in how the agency interprets EPA clauses and may open the door to broader pricing flexibility going forward. The RFI may also signal renewed attention to Price Reduction Clauses (PRC), which require contractors to provide the government with the same price decreases and/or discounts it offers to similarly-situated commercial customers.

Expect Stricter Documentation and Closer Scrutiny

Bottom line, this heightened interest suggests contractors will likely face stricter documentation and pricing adjustment requirements. Contractors that quantify tariff effects sooner rather than later, and which develop a contingency plan should some of these tariffs be struck down by the Supreme Court, will be best positioned moving forward.

Contractors are asked to submit their responses to the RFI by Sept. 25, 2025. For questions about how this may affect your business or support in responding to the RFI, please contact your Polsinelli attorney or the authors of this alert.

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