(4) "Offsetting" cost items were only remotely related to the material costs in issue. The equitable reduction permitted under the clause is intended to cover solely the cost items concerning which the pricing data was defective. To permit unrelated offsets would be tantamount to repricing the entire contract.

CUTLER-HAMMER, INC.

ASBCA No. 10900; June 28, 1967

The Board held:

(1) Offsetting omissions in material pricing, in no instances due to the improper extrapolation of quantities to Bill of Materials which was responsible for the overstatement of quantities, are not available for offset. P. L. 87-653 was intended solely as a vehicle for recoupment by the Government of over-pricing.

(2) A significantly lower bid from an unproven vendor, not disclosed to the Government was far from being data upon which a firm price reduction would have been reached; but this information was significant from the standpoint of over-all contract negotiation.

(3) The burden on the Government of proving the causal relationship between significant, nondisclosed, pricing data and the resulting price reduction is not intended to be an unreasonably heavy one.