

Did you know . . . on terminations June 25, 2012

1...that the KO shall effect a no-cost settlement instead of issuing a termination notice when it is known that the contractor will accept one, Government property was not furnished, and there are no outstanding payments, debts due the Government, or other contractor obligations? Note that the KO shall only terminate contracts, whether for default or convenience, when it is in the Government's interest. See FAR 49.101(b).

2...that if a purchase order (PO) (below SAT by definition) that has been accepted in writing by the contractor is to be terminated, the KO shall process the termination in accordance with FAR 12.403 and Clause 52.212-4(1) or (m) for commercial items or FAR Part 49 or FAR Clause 52.213-4 for other than commercial items? Note that if a PO that has not been accepted in writing by the contractor is to be canceled, the KO notifies the contractor in writing of the cancellation and requests acceptance of the cancellation, and the contractor does not accept the cancellation or claims that costs were incurred as a result of beginning performance under the purchase order, the KO shall process the action as a termination. See FAR 13.302-4.

3...that the KO may, in lieu of a termination for default when in the Government's interest, do the following: allow the contractor, the surety, or the guarantor, to continue performance of the contract under a revised delivery schedule, allow the contractor to continue performance of the contract by means of a subcontract or other business arrangement with an acceptable third party, provided the rights of the Government are adequately preserved, or, if the requirement for the supplies and services in the contract no longer exists, and the contractor is not liable to the Government for damages, execute a no-cost termination settlement agreement? See FAR 49.402-4.

Classification: UNCLASSIFIED

Caveats: NONE