

**PADDS REGULATION REFERENCE TEXT  
SEQUENCE: REGREF CLAUSE TEXT**

PCN: P10C9154R

PRINT DATE: 10/15/2004

PAGE: 1

REGULATION  
CODE: AS6833

REGULATION  
REFERENCE: 52.249-4703

DATE: 07/01/2000

**TITLE:** NOTICE OF TERMINATION TO PRIME CONTRACTOR (ALTERNATE)(TERMINATION FOR CONVENIENCE)(FAR 49.601-2) (USAAMCOM)

**TEXT**

1. Effective Date of Termination. You are notified that your Contract No. -1- (hereinafter referred to as 'the contract') is hereby terminated for the convenience of the Government, in accordance with the clause hereof entitled 'Termination for the Convenience of the Government' (or in the case of a cost-reimbursement-type contract, 'Termination'). Such termination will be effective immediately upon receipt of this notice.

2. Cessation of Work and Notification to your Immediate Subcontractors. (a) You shall stop all work, make no further shipment, and place no further orders in connection with the contract, except (1) to the extent necessary to perform any portion thereof not terminated by this Notice, or (2) to the extent that you may wish to retain and continue any work in process of other materials for your own account, or (3) to the extent the Contracting Officer authorizes you to continue work-in-process for reasons of safety, or to clear (or avoid damage to) equipment or to avoid immediate complete spoilage of work-in-process having a definite commercial value, or otherwise to prevent undue loss to the Government. (If you believe the authorization referred to in (3) above is necessary or advisable, you shall immediately notify the Contracting Officer by telephone or personal conference and obtain instructions.) You shall keep adequate records of your compliance with this paragraph 2(a) showing (i) the date you received your Notice of Termination, (ii) the effective date of such termination, and (iii) the extent of completion of performance on such effective date.

(b) You shall give notice of termination to each of your immediate subcontractors (including suppliers) who will be affected by the termination of your contract. In such notice you shall (1) give him the number of your contract with the Government, (2) state that it has been terminated (or terminated in part, if that is the case) for the convenience of the Government, (3) instruct him to stop all work, to make no further shipments, place no more orders, and to terminate all subcontracts under this contract with you (subject to the same exceptions stated in paragraph 2(a)), (4) direct him to submit his settlement proposal promptly in order to expedite settlement, and (5) request him to give similar notice and instructions to his immediate subcontractors.

(c) You shall notify the Contracting Officer if any pending legal proceedings which relate to any subcontracts or purchase orders under the terminated contract or which have resulted in or which are intended to result in a lien or encumbrance on any termination inventory other than termination inventory you propose and are authorized to purchase, retain, or dispose of. (The Contracting Officer shall also be promptly notified of any such proceedings brought after receipt of this Notice.)

(d) You shall take such other action as may be required by the Contracting Officer or under the termination clause contained in your contract.

3. Termination Inventory.

(a) You shall forthwith transfer title to and deliver to the Government, in accordance with any instructions of the Contracting Officer, all items of termination inventory (including subcontractor termination inventory which under the terms of the subcontract or purchase order concerned you have the right to take over) of the following types or classes: -2-.

(b) In connection with settlement of your claim, it will be necessary to establish that all your termination inventory and that of your subcontractors has been properly accounted for. For detailed information, see FAR Part 45.

4. Completed End Items. You shall notify the Contracting Officer of the number of articles completed under the contract and still on hand, and arrange with him for their delivery or other disposal, see FAR Part 49.205.

(a) Invoice acceptable completed end items under the contract in the usual way and do not include them in the settlement proposal.

5. Patents. Your attention is called to any provisions of the contract which may require you to make a disclosure of, and to deliver to the Government instruments of license or assignment respecting all inventions, discoveries, and patent applications made by you in the performance of the contract. You are urged to forward such disclosures and instruments of license or assignment to the Contracting Officer promptly, inasmuch as these contractual obligations must be complied with before execution of the final settlement agreement. This paragraph may be disregarded if the contract contains no such patent provisions.

6. Settlements With Subcontractors. You remain liable to your subcontractors and suppliers for claims arising by reason of the termination of their subcontracts or orders. You are requested to settle such termination claims as promptly as possible. For purposes of reimbursement by the Government, such settlements will be governed by the provisions of FAR Part 49.

7. Employees Affected. (a) If this termination, together with all other outstanding terminations, will necessitate a significant reduction in your work force, you are urged to (1) promptly inform the local State Employment Service of your reduction-in-force schedule in numbers and occupations, so that they can take timely action in assisting displaced workers; (2) give affected employees maximum practical advance notice of the employment reduction, and inform them of the facilities and services available to them through

**PADDS REGULATION REFERENCE TEXT  
SEQUENCE: REGREF CLAUSE TEXT**

**PCN:** P10C9154R  
**PRINT DATE:** 10/15/2004  
**PAGE:** 2

**REGULATION  
CODE:** AS6833

**REGULATION  
REFERENCE:** 52.249-4703

**DATE:** 07/01/2000

**TITLE:** NOTICE OF TERMINATION TO PRIME CONTRACTOR (ALTERNATE)(TERMINATION FOR CONVENIENCE)(FAR 49.601-2) (USAAMCOM)

**TEXT**

the local State Employment Service Offices; (3) advise affected employees to file applications with State Employment Service in order to qualify for unemployment insurance, if necessary; (4) inform officials of local unions having agreements with you of the impending reduction-in-force; and (5) inform local Chamber of Commerce and other appropriate organizations, which are prepared to offer practical assistance in finding employment for displaced workers, of impending reduction-in-force.

(b) To the extent appropriate and practicable, you are requested to urge subcontractors, if any, to take actions similar to those described above.

8. The contract administration office named in your contract will furnish you the name of the Contracting Officer who will be in charge of the settlement of this termination, and who will, upon request, provide you with the necessary settlement forms. Matters not covered by this Notice should be brought to the attention of the undersigned.

9. Please acknowledge receipt of the Notice as provided below.

Acknowledgement of Notice

The undersigned hereby acknowledges receipt of a signed copy of the foregoing Notice on \_\_\_\_\_. Two copies of this Notice, both signed, are herewith returned.

\_\_\_\_\_  
(Name of Contractor)

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

(End of Agreement)