

TABLE 49-3—SUMMARY OF SETTLEMENT—Continued

		Amount claimed	Amount allowed
6. Total fee settlement .....		\$ _____	\$ _____
7. Gross settlement .....		\$ _____	\$ _____
Less: Deductions not reflected in Items 1-7.			
a. Disposal credits .....	\$ _____		
b. Other charges against contractor arising from contract .....	\$ _____		
8. Net settlement .....			\$ _____
Less: Prior payment credits .....			
9. Net payment .....			\$ _____
10. Recapitulation of previous settlements (insert number of previous partial settlements effected on account of this particular termination):			
Aggregate gross amount of previous settlements .....			\$ _____
Aggregate net amount of previous partial settlements .....			\$ _____
Aggregate net payment provided in previous partial settlements .....			\$ _____
Aggregate amount allowed for prime contractor acquired property taken over by the Government in connection with previous partial settlements.			\$ _____

TABLE 49-4—UNREIMBURSED COSTS SUBMITTED ON SF 1437 \*

Costs	Amounts claimed by contractor's proposal	Auditor's recommendation		TCO's computation
		Cost questioned	Unresolved items	
1. Direct material.				
2. Direct labor.				
3. Indirect factory expense.				
4. Dies, jigs, fixtures and special tools.				
5. Other costs.				
6. General and administrative expenses.				
7. Fee.				
8. Settlement expense.				
9. Settlement with subs.				
10. Total costs (Items 1-9).				

\* Expand the format to include recommendations of technical personnel as required.

[56 FR 36471, July 31, 1991, as amended at 62 FR 34128, June 24, 1997]

**Subpart 249.5—Contract Termination Clauses**

**249.501 General.**

**249.501-70 Special termination costs.**

(a) The clause at 252.249-7000, Special Termination Costs, may be used in an incrementally funded contract when its use is approved by the agency head.

(b) The clause is authorized when—

(1) The contract term is 2 years or more;

(2) The contract is estimated to require—

(i) Total RDT&E financing in excess of \$25 million; or

(ii) Total production investment in excess of \$100 million; and

(3) Adequate funds are available to cover the contingent reserve liability for special termination costs.

(c) The contractor and the contracting officer must agree upon an amount that represents their best estimate of the total special termination costs to which the contractor would be entitled in the event of termination of the contract. Insert this amount in paragraph (c) of the clause.

(d)(1) Consider substituting an alternate paragraph (c) for paragraph (c) of the basic clause when—

(i) The contract covers an unusually long performance period; or

(ii) The contractor's cost risk associated with contingent special termination costs is expected to fluctuate extensively over the period of the contract.

(2) The alternate paragraph (c) should provide for periodic negotiation and adjustment of the amount reserved for special termination costs. Occasions for periodic adjustment may include—