

planned production, based on planning and programming or production documentation at the time the VECP is accepted.” for “the number of future contract units in the sharing base.”

(h) *Extended production period solicitations and contracts.* In solicitations and contracts for items requiring an extended period for production (e.g., ship construction, major system acquisition), if agency procedures prescribe sharing of future contract savings on all units to be delivered under contracts awarded during the sharing period (see 48.104-1(c)), the contracting officer must modify the clause at 52.248-1, Value Engineering, by revising paragraph (i)(3)(i) of the clause and the first sentence under paragraph (3) of the definition of “acquisition savings” by substituting “under contracts awarded during the sharing period” for “during the sharing period.”

[48 FR 42443, Sept. 19, 1983, as amended at 54 FR 5057, Jan. 31, 1989; 55 FR 3887, Feb. 5, 1990; 64 FR 51848, Sept. 24, 1999]

#### **48.202 Clause for construction contracts.**

The contracting officer shall insert the clause at 52.248-3, Value Engineering—Construction, in construction solicitations and contracts when the contract amount is estimated to be \$100,000 or more, unless an incentive contract is contemplated. The contracting officer may include the clause in contracts of lesser value if the contracting officer sees a potential for significant savings. The contracting officer shall not include the clause in incentive-type construction contracts. If the head of the contracting activity determines that the cost of computing and tracking collateral savings for a contract will exceed the benefits to be derived, the contracting officer shall use the clause with its Alternate I.

### **PART 49—TERMINATION OF CONTRACTS**

Sec.

- 49.000 Scope of part.
- 49.001 Definitions.
- 49.002 Applicability.

#### **Subpart 49.1—General Principles**

- 49.100 Scope of subpart.

- 49.101 Authorities and responsibilities.
- 49.102 Notice of termination.
- 49.103 Methods of settlement.
- 49.104 Duties of prime contractor after receipt of notice of termination.
- 49.105 Duties of termination contracting officer after issuance of notice of termination.
- 49.105-1 Termination status reports.
- 49.105-2 Release of excess funds.
- 49.105-3 Termination case file.
- 49.105-4 Cleanup of construction site.
- 49.106 Fraud or other criminal conduct.
- 49.107 Audit of prime contract settlement proposals and subcontract settlements.
- 49.108 Settlement of subcontract settlement proposals.
- 49.108-1 Subcontractor's rights.
- 49.108-2 Prime contractor's rights and obligations.
- 49.108-3 Settlement procedure.
- 49.108-4 Authorization for subcontract settlements without approval or ratification.
- 49.108-5 Recognition of judgments and arbitration awards.
- 49.108-6 Delay in settling subcontractor settlement proposals.
- 49.108-7 Government assistance in settling subcontracts.
- 49.108-8 Assignment of rights under subcontracts.
- 49.109 Settlement agreements.
- 49.109-1 General.
- 49.109-2 Reservations.
- 49.109-3 Government property.
- 49.109-4 No-cost settlement.
- 49.109-5 Partial settlements.
- 49.109-6 Joint settlement of two or more settlement proposals.
- 49.109-7 Settlement by determination.
- 49.110 Settlement negotiation memorandum.
- 49.111 Review of proposed settlements.
- 49.112 Payment.
- 49.112-1 Partial payments.
- 49.112-2 Final payment.
- 49.113 Cost principles.
- 49.114 Unsettled contract changes.
- 49.115 Settlement of terminated incentive contracts.

#### **Subpart 49.2—Additional Principles for Fixed-Price Contracts Terminated for Convenience**

- 49.201 General.
- 49.202 Profit.
- 49.203 Adjustment for loss.
- 49.204 Deductions.
- 49.205 Completed end items.
- 49.206 Settlement proposals.
- 49.206-1 Submission of settlement proposals.
- 49.206-2 Bases for settlement proposals.
- 49.206-3 Submission of inventory schedules.
- 49.207 Limitation on settlements.