or with State, local, or foreign governments or their agencies, and if the contracting officer determines that the requirement to pay interest on excess partial payments is inappropriate, the contracting officer shall use the clause with its *Alternate V*.

(b) Insert the clause at 52.249–7, Termination (Fixed-Price Architect-Engineer), in solicitations and contracts for architect-engineer services, when a fixed-price contract is contemplated.

(c) *Subcontracts*. The prime contractor may find the clause at 52.249–6, Termination (Cost-Reimbursement), suitable for use in cost-reimbursement subcontracts; *provided*, that the relationship between the contractor and subcontractor is clearly indicated. Inapplicable conditions (e.g., paragraphs (e), (j) and (n)) should be deleted and the period for submitting the subcontractor's termination settlement proposal should be reduced (e.g., 6 months).

[48 FR 42447, Sept. 19, 1983, as amended at 61 FR 39222, July 26, 1996; 64 FR 51845, Sept. 24, 1999]

49.504 Termination of fixed-price contracts for default.

(a)(1) *Supplies and services*. The contracting officer shall insert the clause at 52.249–8, Default (Fixed-Price Supply and Service), in solicitations and contracts when a fixed-price contract is contemplated and the contract amount is expected to exceed the simplified acquisition threshold. The contracting officer may use the clause when the contract amount is at or below the simplified acquisition threshold, if appropriate (e.g., if the acquisition involves items with a history of unsatisfactory quality).

(2) *Transportation*. If the contract is for transportation or transportation-related services, the contracting officer shall use the clause with its *Alternate I*.

(b) *Research and development*. The contracting officer shall insert the clause at 52.249–9, Default (Fixed-Price Research and Development), in solicitations and contracts for research and development when a fixed-price contract is contemplated and the contract amount is expected to exceed the simplified acquisition threshold, except those with educational or nonprofit institutions on a no-profit basis. The contracting officer may use the clause when the contract amount is at or below the simplified acquisition threshold, if appropriate (e.g., if the contracting officer believes that key personnel essential to the work may be devoted to other programs).

(c)(1) *Construction*. The contracting officer shall insert the clause at 52.249–10, Default (Fixed-Price Construction), in solicitations and contracts for construction, when a fixed-price contract is contemplated and the contract amount is expected to exceed the simplified acquisition threshold. The contracting officer may use the clause when the contract amount is at or below the simplified acquisition threshold, if appropriate (e.g., if completion dates are essential).

(2) *Dismantling and demolition*. If the contract is for dismantling, demolition, or removal of improvements, the contracting officer shall use the clause with its *Alternate I*.

(3) *National emergencies*. If the contract is to be awarded during a period of national emergency, the contracting officer may use the clause (i) with its *Alternate II* when a fixed-price contract for construction is contemplated, or (ii) with its *Alternate III* when a contract for dismantling, demolition, or removal of improvements is contemplated.

[48 FR 42447, Sept. 19, 1983, as amended at 60 FR 34760, July 3, 1995]

49.505 Other termination clauses.

(a) *Facilities*. The contracting officer shall insert the clause at 52.249–11, Termination of Work (Consolidated Facilities or Facilities Acquisition), in consolidated facilities contracts and facilities acquisition contracts. If the contract is with an agency of the U.S. Government or with State, local, or foreign governments or their agencies, and if the contracting officer determines that the requirement to pay interest on excess partial payments is inappropriate, the contracting officer shall use the clause with its *Alternate I*.

(b) *Personal service contracts*. The contracting officer shall insert the clause at 52.249–12, Termination (Personal

Services), in solicitations and contracts for personal services (see part 37).

(c) *Failure to perform.* The contracting officer shall insert the clause at 52.249–13, Failure to Perform, in facilities contracts, except facilities use contracts with nonprofit educational institutions.

(d) *Excusable delays.* The contracting officer shall insert the clause at 52.249–14, Excusable Delays, in solicitations and contracts for supplies, services, construction, and research and development on a fee basis, when a cost-reimbursement contract is contemplated. The contracting officer shall also insert the clause in time-and-material contracts, labor-hour contracts, consolidated facilities contracts, and facilities acquisition contracts.

(e) *Communication service contracts.* This regulation does not prescribe a clause for the cancellation or termination of orders under communication service contracts with common carriers because of special agency requirements that apply to these services. An appropriate clause, however, shall be prescribed at agency level, within those agencies contracting for these services.

Subpart 49.6—Contract Termination Forms and Formats

49.601 Notice of termination for convenience.

(See 49.402–3(g) for notice of termination for default.)

49.601–1 Telegraphic notice.

(a) *Complete termination.* The following telegraphic notice is suggested for use if a supply contract is being completely terminated for convenience. If appropriately modified, the notice may be used for other than supply contracts.

DATE_____
XYZ Corporation
New York, NY 12345

Contract No. ..... is completely terminated under clause ....., effective ..... [*insert* ''immediately'' *or* ''on ....., 20..'', *or* ''as soon as you have delivered, including prior deliveries, the following items:'' (*list*)]. Immediately stop all work, terminate subcontracts, and place no further orders except to the extent [*insert if applicable* ''necessary to complete items not terminated or''] that you or a subcontractor wish to retain and continue for your own account any work-in-process or other materials. Telegraph similar instructions to all subcontractors and suppliers. Detailed instructions follow.

Contracting Officer

(b) *Partial termination.* The following telegraphic notice is suggested for use if a supply contract is being partially terminated for convenience. If appropriately modified, the notice may be used for other than supply contracts.

DATE_____
XYZ Corporation
New York, NY 12345

Contract No. ..... is partially terminated under clause ....., effective ..... [*insert* ''immediately'' *or* ''on ....., 20..'']. Reduce items to be delivered as follows: [*insert instructions*]. Immediately stop all work, terminate subcontracts, and place no further orders except as necessary to perform the portion not terminated or that you or a subcontractor wish to retain and continue for your account any work-in-process or other materials. Telegraph similar instructions to all subcontractors and suppliers. Detailed instructions follow.

Contracting Officer

[48 FR 42447, Sept. 19, 1983, as amended at 65 FR 36031, June 6, 2000]

49.601–2 Letter notice.

The following letter notice of termination is suggested for use if a contract for supplies is being terminated for convenience. With appropriate modifications, it may be used in terminating contracts for other than supplies and in terminating subcontracts. This notice shall be sent by certified mail, return receipt requested. If no prior telegraphic notice was issued, use the alternate notice that follows this notice.

NOTICE OF TERMINATION TO PRIME CONTRACTORS

[*At the top of the notice, set out all special details relating to the particular termination; e.g., name and address of company, contract number of terminated contract, items, etc.*]

(a) *Effective date of termination.* This confirms the Government's telegram to you dated ....., 20...., terminating .....