

Federal Acquisition Regulation

49.605

reflect the settlement of the termination of this contract. The supplemental agreement excepted from the settlement certain items described in the agreement including the items described in paragraph (b) below. This supplemental agreement settles those items listed in paragraph (b) below.

(b) The parties agree to the following:

(1) The Government agrees to pay the Contractor \$ _____ for the following reserved or excepted items:* [List items.]

(2) The Contractor releases and forever discharges the Government from all liability and from all existing and future claims and demands that it may have under this contract, insofar as it pertains to the contract, for the items described in subparagraph (1) above.*

[*When payment is due the Government, reverse the words Government and Contractor in subparagraphs (b)(1) and (b)(2).]

(End of agreement)

49.604 Release of excess funds under terminated contracts.

The following format shall be used to recommend the release of excess funds under terminated contracts, except if the contracting office retains responsibility for settlement of the termination:

FROM: Termination Contracting Officer _____ [address]

TO: Contracting office _____ [address]

SUBJ: Terminated Contract No. _____ with _____ [Contractor]

Refs:

(a) [Cite termination notice and effective date.]

(b) [Cite prior letters releasing excess funds, if any.]

1. Referenced termination notice, _____ [insert "completely" or "partially"] terminated contract _____.

2. Based on the best information available, it is estimated that the gross settlement cost will be \$ _____. The amount available for release as excess to the contract is \$ _____. Any payments previously made to the Contractor for terminated items have been considered in arriving at the above amounts.

[If prior letters recommending release of excess funds are cited, use the following as paragraph 2:

"The estimated settlement costs previously reported by reference (b) in the amount of \$ _____ are revised. On the best evidence now available, it is estimated that the settlement costs will be \$ _____. The additional amount available for release is \$ _____".]

3. The related appropriations and amounts involved are:

Appropriations	Allocated Amounts
.....
.....

Copies to:

- Paying Office
- Accounting and Finance Office
- Other

49.605 Request to settle subcontractor settlement proposals.

Contractors requesting authority to settle subcontractor settlement proposals shall furnish applicable information from the list below and any additional information required by the contracting officer:

(a) Name of contractor and address of principal office.

(b) Name and location of divisions of the applicant's plant for which authorization is requested.

(c) An explanation of the necessity and justification for the authorization requested.

(d) A full description of the applicant's organization for handling terminations, including the names of the officials in charge of processing and settling proposals.

(e) The number and dollar amount (estimated if necessary) of uncompleted contracts with Government agencies and the percentage applicable to each agency.

(f) The number and dollar amount (estimated if necessary) of uncompleted subcontracts under Government contracts and the percentage applicable to each agency.

(g) The extent of the applicant's experience in termination matters, including the handling of proposals of subcontractors.

(h) The approximate amount and general nature of terminations of the applicant currently in process.