MEMORANDUM TO THE FILE

Subject: PENDING TERMINATION PURSUANT TO HSAM 3049.101(a)

As required by Homeland Security Acquisition Manual (HSAM) 3049.101(a), the contracting officer shall provide a copy of all termination notices, including terminations under FAR Part 12, for anticipated terminations for default or cause of contracts or orders with an undelivered balance exceeding $1 million to the OCPO at least two business days prior to issuing the notice to the contractor. An undelivered balance is the total dollar value of products and/or services that remains to be delivered to the Government, excluding unexercised options, when the contracting officer determines that the contract should be terminated. The following is a synopsis of the pertinent information related to this termination for (insert either default or cause):

Component: Self explanatory
Contracting Officer: Name, phone number, email
Contract/Order Number: Self explanatory
Contractor: Full name of contractor as listed on award document and contractor size (small, large)
Description of Requirement: Short description of requirement
Total Value of Contract: Total value including options
Type of Contract: Multiple award; firm-fixed-price (FFP); cost-plus-fixed-fee (CPFF); etc.
Period of Performance: Total performance period (base and options)
Type of Termination: Default or cause, full or partial
Estimated Termination Cost: If available
Proposed Termination Date: Date the contracting officer intends to issue the Notice of Termination to the contractor
Reason for Termination: Short synopsis of rationale for termination

A. Background:

In this section, provide a brief chronology of the events leading to the anticipated termination action, including the specific failure of the contractor and the excuses for the failure. For example, if a small business contract is being terminated, discuss the coordination with the Component small business specialist and the DHS Office of Small and Disadvantaged Business Utilization. Similarly, if a contract is being terminated for default or cause, discuss the factors in
determining whether to terminate a contract for default or cause. Include a statement that the termination has been coordinated with the Component’s Head of Contracting Activity or designee and Component legal counsel or the Office of the Chief Counsel, as applicable. All referrals for terminations for default or cause shall be made to the Office of the Inspector General (OIG). The contracting officer shall document the file with the reason(s) for referring the contractor for suspension and debarment.

B. Potential Impact:

Any potential impact to the Department, Component, or program execution (e.g., financial, programmatic, schedule, etc.) should be identified here. Highlight any issues that may rise to the Chief Procurement Officer’s attention as a result of the termination. Discuss the availability of the supplies or services from other sources, the urgency of the need for the supplies or services, and the period of time required to obtain them from other sources as compared to the delivery time that could be obtained from the contractor considered for termination (see FAR 49.402-3(f)).

C. Contracting Officer’s Intended Action:

I certify that I have reviewed the subject contract and find, to the best of my knowledge and judgment, that the contract was properly awarded and is a valid contract, that the contractor failed to deliver items in accordance with the contract terms, and that it is in the best interests of the Government that the contract be terminated for (default or cause, full or partial).

______________________________                _______________
Contracting Officer’s Signature                 Date

Attachment:  Contractor’s Notice of Termination from the Contracting Officer