

Subpart 5149.4 - Termination for Default

Parent topic: [Part 5149 - Termination of Contracts](#)

5149.401 General.

See AFARS 5142.1503-90(b) for the requirement to prepare a contractor past performance assessment report for all contracts or orders immediately upon termination for default.

5149.402 Termination of fixed-price contracts for default.

5149.402-3 Procedure for default.

(e)(4) Contracting officers should not terminate for default any contract with a small business firm to whom a Certificate of Competency was issued, or to whom loans were made with the Small Business Administration's participation, without prior written approval of the HCA.

(f)(6) When unliquidated progress payments, advance payments, guaranteed loans, or anticipated excess repurchase costs are involved, the Contracting officer must -

(A) Obtain from the Contracting officer a statement of the value of the inventory that may be available for offset against the outstanding financing; and

(B) Identify and state the approximate amount of the excess acquisition costs applicable.