PART 3049—TERMINATION OF CONTRACTS

Authority: 14 U.S.C. 1155.

Source: 88 FR 9771, Feb. 15, 2023, unless otherwise noted.

3049.9001 Policy (USCG).

3049.9002 Contract clause (USCG).

Parent topic: SUBCHAPTER G—CONTRACT MANAGEMENT

3049.9001 Policy (USCG).

(a) *Applicability.* This section implements 14 U.S.C. 1155 and provides the policy for the USCG to use for contract terminations. This contract termination policy applies to USCG contract terminations, including contracts for commercial items, with a total value of more than $1,000,000.

(b) *Notification*. Before terminating a contract with a total value of more than $1,000,000, the Commandant of the Coast Guard shall notify the contractor and the contractor shall be required to maintain all work product related to the contract until the earlier of—

(1) not less than 1 year after the date of the notification; or

(2) the date the Commandant notifies the vendor that maintenance of such work product is no longer required.

(c) *Work Product Defined.* The term “work product”—

(1) Means tangible and intangible items and information produced or possessed as a result of a contract referred to in subsection (b); and

(2) Includes—

(i) Any completed end items;

(ii) Any uncompleted end items; and

(iii) Any property in the Contractor's possession in which the United States Government has an interest.

(d) *Penalty.* A Contractor that fails to maintain work product as required under subsection (b) is liable to the United States for a civil penalty of not more than $25,000 for each day on which such work product is unavailable.

(e) *Requirement.* The Contractor shall insert the substance of this clause in contracts and subcontracts, including contracts and for commercial items, with a total value of more than $1,000,000.

3049.9002 Contract clause (USCG).

USCG contracting officers shall insert the clause at 3052.249-90, Contract Termination (USCG), in all solicitations and contracts, including contracts for commercial items, with a total value of more than $1,000,000.