

42.902 Procedures.

(a) When notified of bankruptcy proceedings, agencies *shall*, as a minimum-

(1) Furnish the notice of bankruptcy to legal counsel and other appropriate agency offices (*e.g.*, *contracting*, financial, property) and affected buying activities;

(2) Determine the amount of the Government's potential *claim* against the contractor (in assessing this impact, identify and review any contracts that have not been closed out, including those physically completed or terminated);

(3) Take actions necessary to protect the Government's financial interests and safeguard Government property; and

(4) Furnish pertinent contract information to the legal counsel representing the Government.

(b) The *contracting officer shall* consult with legal counsel, whenever possible, prior to taking any action regarding the contractor's bankruptcy proceedings.

Parent topic: [Subpart 42.9 - Bankruptcy](#)