

Subpart MP5349.5 – CONTRACT TERMINATION CLAUSES

Parent topic: [MP5349 Termination of Contracts](#)

MP 5349.501-70 Special Termination Costs

(a) Contracting officers must refer to Volume 2A, Chapter 1, paragraph 2.14.3.2.1 of [DoD 7000.14-R, DoD Financial Management Regulation](#), for Congressional notification and additional approval requirements for Special Termination Cost Clauses (STCC). Because STCCs require special notification to Congress and entail a long approval process over which the Department of the Air Force has little control, the contracting officer should allow Headquarters Air Force Staff sufficient time to process requests to use [DFARS 252.249-7000](#), Special Termination Costs (i.e., not less than 90 days prior to contract award). The request must include the following:

- (i) A detailed breakdown of applicable cost categories in the clause at [DFARS 252.249-7000, \(a\)\(1\) through \(5\)](#), which includes the reasons for the anticipated incurrence of the costs in each category;
- (ii) Information on the financial and program need for the clause including an assessment of the contractor's financial position and the impact of a failure to receive authority to use the clause; and
- (iii) Clear evidence that only costs that arise directly from a termination would be compensated under the clause. Costs that would be incurred by the Government, regardless of whether a termination occurs, must not be covered by a STCC.