

# DIAR PART 1449—TERMINATION OF CONTRACTS

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**Authority:** Sec. 205(c), 63 Stat. 390, 40 U.S.C. 486(c); and 5 U.S.C. 301.

**Source:** 75 FR 19829, Apr. 15, 2010, unless otherwise noted.

### **Subpart 1449.1—General Principles**

#### **1449.106 Fraud or other criminal conduct.**

When fraud or other criminal conduct is suspected, the CO will submit a report documenting the incident to the BPC for transmittal to the OIG. Informational copies will be forwarded to the HCA and the Director, PAM.

#### **1449.107 Audit of prime contract settlement proposals and subcontract settlements.**

Requests for audits pursuant to FAR [49.107](#) shall be sent to the Assistant Inspector General for Auditing, in accordance with the procedures in 360 DM 2.3.

### **1449.111 Review of proposed settlements.**

All proposed settlement agreements shall be reviewed by the SOL and approved at one level above the CO. Settlement agreements of \$250,000 or more shall be approved by the BPC.

### **Subpart 1449.4—Termination for Default**

#### **1449.402 Termination of fixed-price contracts for default.**

##### **1449.402-3 Procedure for default.**

In addition to the requirements of FAR [49.402-3](#)(g), the notice of termination shall contain instructions regarding the disposition of any Government property in the possession of the contractor, and, in the case of construction contracts, materials, appliances, and structures that may be on the construction site. The notice shall also contain a statement concerning the liability of the contractor or its surety for any liquidated damages ( See FAR [49.402-7](#)).