

TERMINATION FOR CONVENIENCE CLAUSE FOR EDUCATIONAL AND OTHER NON-PROFIT INSTITUTIONS

TERMINATION FOR CONVENIENCE (EDUCATIONAL AND OTHER NONPROFIT INSTITUTIONS) (52.249-5) (SEP 1996)

(a) Princeton may terminate performance of work under this Subcontract in whole or, from time to time, in part if Princeton determines that a termination is in Princeton's interest. Princeton shall terminate by delivering to the Subcontractor a Notice of Termination specifying the extent of termination and the effective date.

(b) After receipt of a Notice of Termination and except as directed by Princeton, the Subcontractor shall immediately proceed with the following obligations:

(1) Stop work as specified in the notice.

(2) Place no further lower tier subcontracts or orders (referred to as sub-subcontracts in this clause), except as necessary to complete the continued portion of the Subcontract.

(3) Terminate all applicable lower tier subcontracts and cancel or divert applicable commitments covering personal services that extend beyond the effective date of termination.

(4) Assign to Princeton, as directed by Princeton, all right, title, and interest of the Subcontractor under the lower tier -subcontracts terminated, in which case Princeton shall have the right to settle or pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by Princeton, settle all outstanding liabilities and termination settlement proposals arising from the termination of lower tier subcontracts; approval or ratification will be final for purposes of this clause.

(6) Transfer title (if not already transferred) and, as directed by Princeton, deliver to Princeton any information and items that, if the subcontract had been completed, would have been required to be furnished, including (i) materials or equipment produced, in process, or acquired for the work terminated and (ii) completed or partially completed plans, drawings, and information.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that Princeton may direct, for the protection and preservation of the property related to this Subcontract that is in the possession of the Subcontractor and in which the Government has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by Princeton, termination inventory other than that retained by the Government under subparagraph (b)(6) of this clause; provided, however, that the Subcontractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and

at prices approved by, Princeton. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Princeton under this subcontract, credited to the price or cost of the work, or paid in any other manner directed by Princeton.

(c) The Subcontractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by Princeton upon written request of the Subcontractor within this 120-day period.

(d) After termination, the Subcontractor shall submit a final termination settlement proposal to Princeton in the form and with the certification prescribed by Princeton. The Subcontractor shall submit the proposal promptly but no later than 1 year from the effective date of termination unless extended in writing by Princeton upon written request of the Subcontractor within this 1-year period. If the Subcontractor fails to submit the termination settlement proposal within the time allowed, Princeton may determine, on the basis of information available, the amount, if any, due the Subcontractor because of the termination and shall pay the amount determined.

(e) Subject to paragraph (d) of this clause, the Subcontractor and Princeton may agree upon the whole or any part of the amount to be paid because of the termination. This amount may include reasonable cancellation charges incurred by the Subcontractor and any reasonable loss on outstanding commitments for personal services that the Subcontractor is unable to cancel; provided, that the Subcontractor exercised reasonable diligence in diverting such commitments to other operations. The subcontract shall be amended and the Subcontractor paid the agreed amount.

(f) The cost principles and procedures in Subpart 31.3 of the Federal Acquisition Regulation (FAR), in effect on the date of the subcontract, shall govern all costs claimed, agreed to, or determined under this clause; however, if the Subcontractor is not an educational institution, and is a nonprofit organization under Office of Management and Budget (OMB) Circular A-122, "Cost Principles for Nonprofit Organizations," July 8, 1980, those cost principles shall apply; provided, that if the Subcontractor is a nonprofit institution listed in Attachment C of OMB Circular A-122, the cost principles at FAR 31.2 for commercial organizations shall apply to such Subcontractor.

(g) Princeton may, under the terms and conditions it prescribes, make partial payments against costs incurred by the Subcontractor for the terminated portion of this subcontract, if Princeton believes the total of these payments will not exceed the amount to which the Subcontractor will be entitled.

(h) The Subcontractor has the right of appeal as provided under the Disputes Resolution clause, except that if the Subcontractor failed to submit the termination settlement proposal within the time provided in paragraph (d) of this clause and failed to request a time extension, there is no right of appeal.

NOTHING FOLLOWS