



PROCUREMENT MEMORANDUM 2025-05

ACTION

MEMORANDUM FOR: Senior Bureau Procurement Officials

FROM: Olivia J. Bradley
Senior Procurement Executive and
Director for Acquisition Management

SUBJECT: Reporting Process for Terminations for Convenience in the Federal Procurement Data System (FPDS)

Background

The Department of Commerce is processing a high volume of contract termination actions due to initiatives to identify non-essential contracts. Consistent and correct reporting in FPDS is critical in order to track the status of these actions.

Purpose

This procurement memorandum provides standard guidance for processing terminations for convenience and reporting these actions in FPDS.

Required Actions

Any termination for convenience must be reported to FPDS using two modifications¹ in accordance with the following procedures:

1. Upon notifying the contractor of the termination², execute a unilateral modification as soon as practicable and report the modification to FPDS within three business days³ using the following information:
 - a. FPDS Reason for Modification (element 12C) select "F - Termination for Convenience (complete or partial)."
 - b. FPDS Description of Requirement (element 6M), clearly denote the action as a "Notice of Termination for Convenience." Additional text may be added after this note as needed.
 - c. This modification should be a zero -dollar action.

¹ If the complete settlement information is known at time of initial notification the termination may consist of one modification.

² See FAR 49.102

³ See FAR 4.604

2. Upon finalizing the termination settlement agreement⁴, if applicable⁵, execute a bilateral modification and report the modification to FPDS within three business days⁶ using the following information:
 - a. FPDS Reason for Modification (element 12C) select “F – Termination for Convenience (complete or partial).”
 - b. FPDS Description of Requirement (element 6M), clearly denote the action as a “Termination for Convenience Agreement.” Additional text may be added after this note as needed.
 - c. Ensure that the FPDS Base and All Options Value (element 3A) reflects the change, if any, in the total value of the contract due to the complete or partial termination of work.
 - d. Ensure that the FPDS Base and Exercised Options Value (element 3B) reflects the change, if any, in value for the base contract and any options that have been exercised due to the complete or partial termination of work.
3. For terminations for convenience executed since January 20, 2025, but before this memorandum, two modifications are not necessary. However, contracting officers should have completed at least one modification for any cancellation of a contract or a termination for convenience issued since January 20, 2025. In addition, contracting officers should review termination for convenience modifications issued since January 20, 2025, and ensure FPDS has been properly coded for items 2(c) and 2(d) above. Contracting Officers shall execute a modification to the contract action and/or correction to the FPDS contract action report if they have not been reported correctly within two days of the date of this memorandum.

Effective Date

This Procurement Memorandum is effective immediately and remains in effect until rescinded.

Questions

Please direct any questions regarding this process to OAM_Mailbox@doc.gov.

⁴ See FAR 49.105

⁵ There may be scenarios where a second modification will not be required (e.g., contract vehicles that do not obligate funds such as Indefinite Delivery Indefinite Quantity type contracts would not need a settlement agreement).

⁶ See FAR 4.604