



PROCUREMENT MEMORANDUM 2025-05 REVISED May 21, 2025

ACTION

MEMORANDUM FOR: Senior Bureau Procurement Officials

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

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

Background

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

Purpose

This procurement memorandum provides standard guidance for processing terminations and reporting these actions in FPDS in compliance with the February 18, 2025, Presidential Action Memorandum entitled, "Radical Transparency About Wasteful Spending."

Required Actions

1. Contracting officers shall comply with the following procedures for processing terminations and reporting termination actions in FPDS.
 - a. Any termination, including modifications descoping/partially terminating portions of the contract, related to the Administration's efficiency initiatives, must be reported to FPDS using two modifications¹ in accordance with the following procedures:
 - i. 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:
 - ii. FPDS Reason for Modification (element 12C) select "E – Termination for Default (complete or partial)," "F - Termination for Convenience (complete or partial)," or "X - Termination for Cause."

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

- iii. FPDS Description of Requirement (element 6M), clearly denote the action as a “Notice of [Complete] or [Partial] (as applicable) Termination for Convenience,” “Notice of [Complete] or [Partial] (as applicable) Termination for Default,” or “Notice of [Complete] or [Partial] (as applicable) Termination for Cause.” Additionally, a plain English description of the purpose of the contract must be included in the Description of Requirement field, e.g., the description included with the original Mod 0 contract action report description of requirement. Additional text may be added after this note as needed.
 - iv. FPDS Initiative (element 6SI) select the EO: Radical Transparency About Wasteful Spending “RTWS” option for any termination related to the Administration’s efficiency initiatives.
 - v. This modification should be a zero -dollar action.
 - vi. If the modification is a complete termination, this modification should change the completion and ultimate completion dates to coincide with the date of termination.
- b. 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:
 - i. FPDS Reason for Modification (element 12C) select “E – Termination for Default (complete or partial),” “F – Termination for Convenience (complete or partial),” or “X - Termination for Cause”
 - ii. FPDS Description of Requirement (element 6M), clearly denote the action as a “Termination for Convenience Agreement,” “Termination or Default Agreement,” or “Termination for Cause Agreement.” Additionally, a plain English description of the purpose of the contract must be included in the Description of Requirement field, e.g. the description included with the original Mod 0 contract action report description of requirement. Additional text may be added after this note as needed.
 - iii. FPDS Initiative (element 6SI) select the EO: Radical Transparency About Wasteful Spending “RTWS” option for any termination related to the Administration’s efficiency initiatives.
 - iv. 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.
 - v. 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.

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

- vi. See Appendix A for additional information on reporting dates and dollar amounts.
 - c. For terminations 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 issued since January 20, 2025. In addition, contracting officers should review termination modifications issued since January 20, 2025, and ensure FPDS has been properly coded for items 1(a)(iv), 1(b)(ii), 1(b)(iv), and 1(b)(v) 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.
2. Any contract that was or will be allowed to expire without the exercise of any additional options, as a result of the Administration's efficiency initiatives since January 20, 2025, must be reported to FPDS in accordance with the following procedures:
- a. **Contracts That Will Be Allowed to Expire**
 - i. FPDS Reason for Modification (element 12C) select "F – Termination for Convenience (complete or partial)"
 - (1) FPDS Description of Requirement (element 6M), clearly denote the action as a "Partial Termination for Convenience Agreement."
Additionally, a plain English description of the purpose of the contract must be included in the Description of Requirement field, e.g. the description included with the original Mod 0 contract action report description of requirement. Additional text may be added after this note as needed.
 - (2) FPDS Initiative (element 6SI) select the EO: Radical Transparency About Wasteful Spending "RTWS" option for any termination related to the Administration's efficiency initiatives.
 - (3) 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 removal of the optional periods that will not be exercised.
 - (4) 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 removal of the optional periods that will not be exercised.
 - (5) See Appendix A for additional information on reporting dates and dollar amounts.
 - b. **Already Expired Contracts**
 - i. FPDS Reason for Modification (element 12C) select "N – Legal Contract Cancellation"
 - (1) FPDS Initiative (element 6SI) select the EO: Radical Transparency About Wasteful Spending "RTWS" option for any termination related to the Administration's efficiency initiatives.

- (2) 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 removal of the optional periods that were not exercised.
 - (3) 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 removal of the optional periods that were not exercised.
 - (4) See Appendix A for additional information on reporting dates and dollar amounts.
- 3. Any contract that is closed out that expired before the completion of all optional periods or was terminated as a result of the Administration's efficiency initiatives since January 20, 2025, must be reported to FPDS in accordance with the following procedures:
 - a. FPDS Description of Requirement (element 6M), clearly denote the action as a closeout of a contract that was terminated or expired due to "RTWS." This must appear in the description to enable it to be sorted for reporting purposes. Additionally, a plain English description of the purpose of the contract must be included in the Description of Requirement field, e.g. the description included with the original Mod 0 contract action report description of requirement. Additional text may be added after this note as needed.
- 4. Any contract that has a modification to deobligate funding⁷ as a result of the Administration's efficiency initiatives since January 20, 2025, must be reported to FPDS in accordance with the following procedures:
 - a. FPDS Description of Requirement (element 6M), clearly denote the action as a deobligation due to "RTWS." This must appear in the description to enable it to be sorted for reporting purposes. Additionally, a plain English description of the purpose of the contract must be included in the Description of Requirement field, e.g. the description included with the original Mod 0 contract action report description of requirement. Additional text may be added after this note as needed.

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.

⁷ That is not otherwise reported as a termination or closeout.

Appendix A: Reporting Dates & Dollar Amounts

Dollar amounts (obligation and base and exercised options) should reflect the amount obligated minus the amount invoiced and paid and minus any agreed upon termination costs. Total contract value amounts (base and all options) should reflect the total value minus the amount already invoiced and paid and minus any agreed upon termination costs. Multiple award indefinite-delivery vehicles (IDVs) total dollar amounts should reflect the aggregate of all task/delivery orders/BPA calls issued under the IDV, adjusted to account for any deobligation actions. This includes subtracting amounts invoiced and paid, agreed-upon termination costs, and deobligations from the obligated amounts. Contracting Officers must ensure consistency and accuracy in reporting, particularly for modifications tied to deobligations, to maintain transparency and compliance with federal reporting requirements. Special care should be given to avoid discrepancies between the IDV and its associated task/delivery orders/BPA calls in FPDS reporting.

Tip: To ensure multiple award IDV contracts are correctly reflected when identifying overall savings due to terminations, use the “Solicitation Number” or the ‘Major Program’ data field to identify all of the related multiple award IDVs and their orders. Then compare the ceiling limit reported on those IDVs less the value of all of the orders already completed and the resulting value of the orders that were terminated to show the true savings amount.

EXAMPLES:

Example 1:

Dates: (For IDVs make sure to adjust Last Date to Order)

Original Award: Has a one-year base period and a one-year option period. The initial award should have been reported as:

Date Signed: 10/1/2024

Period of Performance Start Date: 10/1/2024

Completion Date: 9/30/2025

Ultimate Completion Date: 9/30/2026

Modification P00001 is terminating the contract for convenience as a result of the Administration’s efficiency initiatives. The termination modification with final agreed upon terms is signed on 3/1/2025. The FPDS contract action report for this mod should have dates reported as:

Date Signed: 3/1/2025

Period of Performance Start Date: 10/1/2024 (field is grayed out on mods)

Completion Date: 3/1/2025

Ultimate Completion Date: 3/1/2025

Example 2

Dollars:

Original Award has one-year base period for \$100,000 and a one-year option period for \$150,000. The initial award should have been reported as:

Action Obligation: \$100,000

Base and Exercised Options: \$100,000

Base and All Options: \$250,000

Modification P00001 is terminating the contract for convenience as a result of the Administration's efficiency initiatives. The termination modification with final agreed upon terms is signed on 3/1/2025. The contractor has already invoiced for and been paid \$25,000, and the agency agreed to pay \$10,000 in termination costs. The FPDS contract action report for this mod should have dollars reported as:

Action Obligation: -\$65,000

Base and Exercised Options: -\$65,000

Base and All Options: -\$215,000

Obligation & Base and Exercised Options= amount obligated-amount invoiced\paid and termination costs.

Example 3:

Single Award IDV has an estimated total of all potential task orders of \$750,000. The initial IDV award should have been reported as:

Action Obligation: \$0

Based and All Options: \$750,000

Modification P00002 is terminating the IDV for convenience, one task order was issued with an obligated amount of \$250,000 of which \$100,000 was invoiced\paid prior to the order's termination with no further negotiated termination costs. After reporting the termination modification for the order, the FPDS contract action to report the termination of the IDV itself via this modification should be:

Action Obligation: \$0

Base and All Options: -\$650,000

Example 4:

Multiple Award IDV has an estimated total of all potential task orders of \$500,000. The initial IDV award should have been reported as:

Action Obligation: \$0

Based and All Options: \$500,000

Modification P00004 to the above contract is terminating the IDV for convenience, two task orders were issued with obligated amounts of \$100,000 each (\$200,000) of which \$50,000 was invoiced\paid on each (\$100,000) before they were also terminated with no further negotiated termination costs. After reporting the termination modifications for each of the orders, the FPDS contract action to report the termination of the IDV itself via this modification should be:

Action Obligation: \$0

Based and All Options: -\$400,000