



Office of Acquisition Management
U.S. Department of Commerce

Senior Procurement Executive: Acquisition Insights

May 21, 2025



Agenda

01 Insights and Updates

02 Reporting Terminations

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Reporting Terminations

PROCUREMENT MEMORANDUM 2025-05

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.”



Reporting Terminations

REQUIRED ACTIONS

Any termination, including modifications descoping/partially terminating portions of the contract, must be reported to FPDS using two modifications in accordance with the following procedures:

- Upon notifying the contractor of the termination, execute a unilateral modification as soon as practicable and report the modification to FPDS within three business days using the following information:
- 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.”
- 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.
- FPDS **Initiative** (element 6SI) select the EO: Radical Transparency About Wasteful Spending “RTWS” option for any termination related to the Administration’s efficiency initiatives.
- This modification should be a zero-dollar action.
- If the modification is a complete termination, this modification should change the completion and ultimate completion dates to coincide with the date of termination.



Reporting Terminations – Settlement Agreement

REQUIRED ACTIONS

Upon finalizing the termination settlement agreement, if applicable, execute a bilateral modification and report the modification to FPDS within three business days using the following information:

- 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”
- 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.
- FPDS Initiative (element 6SI) select the EO: Radical Transparency About Wasteful Spending “RTWS” option for any termination related to the Administration’s efficiency initiatives.
- 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.
- 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.



Reporting Terminations – Allowed to Expire

REQUIRED ACTIONS

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:

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 the removal of the optional periods that will not be exercised.
 5. See Appendix A for additional information on reporting dates and dollar amounts.



Reporting Terminations – Already Expired

REQUIRED ACTIONS

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:

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 the removal of the optional periods that were not exercised.
 4. See Appendix A for additional information on reporting dates and dollar amounts.



Reporting Terminations - Closed

REQUIRED ACTIONS

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:

- 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.



Reporting Terminations - Deobligations

REQUIRED ACTIONS

Any contract that has a modification to deobligate funding as a result of the Administration's efficiency initiatives since January 20, 2025, must be reported to FPDS in accordance with the following procedures:

- 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.



Reporting Terminations - 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



Reporting Terminations - Examples

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.



Reporting Terminations - Examples

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



Reporting Terminations - Examples

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



FPDS Example

Document Information				
	Agency	Procurement Identifier	Modification No	Trans No
Award ID:	1301	1331L524F13500197	0	0
Referenced IDV ID:	4732	GS00F010CA	PA0038	
Reason For Modification:				
Solicitation ID:				
	Agency Main Sub Identifier Account Account	Initiative		
Treasury Account Symbol:				Select One

Dates		Amounts	
Date Signed (mm/dd/yyyy) :	04/02/2024	Action Obligation:	\$249,587.00
Period of Performance Start Date (mm/dd/yyyy) :	04/15/2024	Base And Exercised Options Value:	\$249,587.00
Completion Date (mm/dd/yyyy) :	04/14/2025	Base and All Options Value (Total Contract Value):	\$1,309,192.00
Est. Ultimate Completion Date (mm/dd/yyyy) :	10/14/2025	Fee Paid for Use of IDV:	\$0.00
Solicitation Date (mm/dd/yyyy) :	03/13/2024		

Document Information				
	Agency	Procurement Identifier	Modification No	Trans No
Award ID:	1301	1331L524F13500197	P25005	0
Referenced IDV ID:	4732	GS00F010CA	PA0038	
Reason For Modification:	TERMINATE FOR CONVENIENCE (COMPLETE OR PARTIAL)			
Solicitation ID:				
	Agency Main Sub Identifier Account Account	Initiative		
Treasury Account Symbol:				Select One

Dates		Amounts		
Date Signed (mm/dd/yyyy) :	04/17/2025	Action Obligation:	Current	Total
Period of Performance Start Date (mm/dd/yyyy) :	04/15/2024	Base And Exercised Options Value:	-\$16,121.60	\$233,465.40
Completion Date (mm/dd/yyyy) :	04/09/2025	Base and All Options Value (Total Contract Value):	-\$16,121.60	\$233,465.40
Est. Ultimate Completion Date (mm/dd/yyyy) :	04/09/2025		-\$1,075,726.60	\$233,465.40
Solicitation Date (mm/dd/yyyy) :	03/13/2024	Fee Paid for Use of IDV:	\$0.00	



Questions?

*Please share any questions you have
that we are not able to discuss today
with:*

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