



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

FEB -9 2012

MEMORANDUM FOR AFMC/CC, AFSPC/CC, AND ALL AFPEOs

FROM: SAF/AQ
1060 Air Force Pentagon
Washington, DC 20330-1060

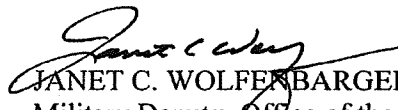
SUBJECT: Air Force Guidance on Program Termination Procedures

This guidance is to assist AFPEOs and Program Managers on those occasions when it has been determined that an Air Force program of record must be terminated, partially terminated, or de-scoped/re-scoped. Attached are recommended templates for a Termination Acquisition Decision Memorandum (T-ADM) and a Sample Template Termination Plan. While these documents were drafted for ACAT I programs, they can also be tailored for use by AFPEOs on ACAT II and III programs.

The T-ADM will serve to document the termination decision and Air Force SAE direction to the pertinent AFPEO and Program Manager to commence termination planning, including required actions to organize the termination process for a specified program.

The Sample Template Termination Plan sets forth the responsibilities for efficiently terminating a program and serves to provide the Program Manager with a roadmap for organizing, documenting, coordinating and executing the entire termination process. It also provides the SAE and appropriate HAF offices with the necessary information to facilitate and approve the termination process. This template is not an all inclusive checklist and may be tailored to meet the requirements of a specific program. However, it covers the most important areas that should be addressed in planning a program termination.

Word versions of the templates can be found on the Air Force Portal, Acquisition Functional Area, under the Acquisition Excellence and Change Management Office site. My point of contact for this guidance is Mr. Robert Boulware, 571-256-0370, DSN 260, or email safaqxa.workflow@pentagon.af.mil.


JANET C. WOLFENBARGER, Lt Gen, USAF
Military Deputy, Office of the Assistant Secretary
of the Air Force (Acquisition)

Attachments:

1. T-ADM Memo Template
2. Sample Template Termination Plan

cc:

SAF/AQX

SAF/AQQ

SAF/AQI

SAF/AQP

SAF/AQS

SAF/AQC

SAF/AQR

SAF/AQL

SAF/AQH



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MEMORANDUM FOR AF PEO _____

FROM: SAF/AQ
1060 Air Force Pentagon
Washington, DC 22030-1060

SUBJECT: Termination Acquisition Decision Memorandum (T-ADM) for _____

Purpose: This T-ADM serves as direction to terminate the _____ program.
The PM is _____ (XXX/XXX) and the PEO is _____ (XXX/XXXX).

Decisions:

- In accordance with _____, I render a Program Termination Decision for _____.
- *Or:* As a result of the FY13 President's Budget eliminating funding for the _____ program, I direct the program to stop work and end contract activity in a prudent manner and take appropriate steps to efficiently close out all ongoing efforts in accordance with current laws and regulations.
- NOTE: For termination of modification programs or incrementally developed programs with fielded systems/capability, the following specific guidance is provided: _____.

Tasking/Action Items:

- The PM will identify a Termination Contracting Officer (TCO) to work closely with the PM and the Contracting Officer to facilitate the termination process.
- The Contracting Officer will ensure completion of all actions required IAW law and regulation, to include all necessary notifications.
- The Program PCO/ACO, as appropriate, will obtain legal review/input.
- The program shall present to me within XX days the detailed termination plan and the status of actions that have been taken.
- The plan will be coordinated like an acquisition plan, to include pertinent notifications.
- The termination plan shall address program termination activities required by FAR Part 49 and AFI 63-101 and include the following:
 - Organizational responsibilities for termination
 - Program documentation and records
 - Assumptions
 - Contract and legal status
 - Funding
 - Personnel
 - Agreements, Performance Based Arrangements, Public-Private Partnerships, and Commitments
 - GFP and equipment deliverables

Points of Contact: _____, SAF/xxxx, (_____@pentagon.af.mil) DSN: xxx-xxxx.

David M. Van Buren
Air Force Service Acquisition Executive

(or DoD MDA, as appropriate; if so, prepare on OSD letterhead)
(or PEO as MDA, if applicable; if so, prepare on PEO letterhead)

1 Attachment:
TBD

DISTRIBUTION:
OSD Offices

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Sample Template

Termination Plan

1 Purpose. This plan delineates responsibilities to efficiently terminate the _____ Program.

2 Program/System Description. Include function and technical description of the program/system to be terminated. Include the identification of salvageable technologies and other deliverables and any other pertinent issues that require approval. State any dependencies that exist between this program and any other program(s).

3 Program Information.

Program Name:	ACAT:	Phase:
Joint Program: (Yes or no)	Foreign Military Sales: (If yes, whom?)	
Implementing Command:		
Sponsoring Command:		
Participating Command(s):		
OT&E Agency:		
MDA:		
PEO:		
PM:		
PCO:		
TCO:		
PEM:		

4 Organizational Responsibilities. Identify those management responsibilities and tasks that the gaining organization (if any) will need to continue after termination. When appropriate, address any provisions required to facilitate the termination of the program/system. Areas to be addressed in this paragraph include:

a. SAF/AQ will:

b. The Program Manager will:

- 1) Determine organization responsible for termination activities;
- 2) Schedule of all termination and transition activities (e.g, like an Acquisition Plan schedule);
- 3) Determine planned date of SPO disestablishment and facility transition or closure;
- 4) Determine turnover of facilities, permanent documents, and documents of historical value;
- 5) Determine disposition of related efforts (including those that should be considered for ACAT status);
- 6) Determine impact to other programs and a plan to mitigate such impact;
- 7) Determine known industrial base impacts;
- 8) Determine disposition of technology, GFP and documentation;
- 9) Identify organizations' responsibilities; and,
- 10) Identify enterprise/architectural impacts.

c. The PCO and/or TCO, as appropriate, will:

- 1) Determine status of contracting activities and the contract;
- 2) Identify location of the Termination Contracting Officer (TCO) who will handle the settlement;
- 3) Create a plan to conclude open contracts in the most advantageous way to the government;
- 4) Identify potential for claims against the government;
- 5) Coordinate with the FM community for cognizance on financial closeout activities; and,
- 6) Arrange for disposition of accumulated equipment and property.

d. The Program Lead Financial Manager will:

- 1) Identify funds necessary for termination of the program;
- 2) Determine un-liquidated obligations;
- 3) Identify all outstanding contingent liabilities; and,
- 4) Ensure financial closeout and disposition of unobligated funds.

e. Personnel Activities – With the assistance of the Personnel office, the PM will:

- 1) Create a Human Resource plan to complete termination activities;
- 2) Determine release or reassignment of Government personnel;
- 3) Determine disposition of support contractors; and,
- 4) Determine disposition of manpower spaces.

f. The MAJCOM/A5 will:

g. DCMA-xxxx will:

h. The NGB (if applicable) will:

5 Item Documentation and Records.

- Technology, property and document disposition
- Configuration Management
- Engineering Responsibility, Engineering Data and Technical Data Package
- Capabilities/Requirements Realignment
- Impact to other programs and mitigation approach
- Logistics Support (including Facilities Disposition/Hardware Realignment)
- Software Fielding, Replication, Distribution, and Maintenance
- Transportation and Packaging
- Product Assurance Responsibility
- Safety
- Human Systems Integration (manpower positions, personnel assignments, etc)
- Security Classification Guidance
- Environmental Documentation
- Other responsibilities as specified in the Termination Acquisition Decision Memo

6 Assumptions.

7 Contract Status and Legal Issues. *Contracts Status:* Open contracts/contractor(s)/time to completion/contract amount(s)/type dollars. Also include description of contracting activities, status of contracts, and contract-related responsibilities (such as notifications and required deliveries) pertinent to the termination process. Address termination and/or modification of existing contracts to include termination costs and unliquidated obligations. *Legal Issues:* Contract-related/personnel or labor/local government, etc.

- a. Current open contract information is as follows (*Remove lines that are not applicable*):
 - i. Number:
 - ii. Contractor:
 - iii. Contract Type:
 - iv. End Date:
 - v. Current Value (All CLINs and fees paid):
 - vi. Award Fees Available:
 - vii. Total Invoiced to Date:
 - viii. Current Funded Amount:
 - ix. Other Pertinent Data:
- b. Outstanding Contract Change Proposals:
 - i. CCP #, short name, action pending (e.g., definitize UCA, settle proposal preparation cost)
- c. Legal Issues:
 - i. Pending legal issues (Claims, Request for Equitable Adjustment, etc.)

8 Funding Summary. RDT&E/Procurement/O&M/Future Years Defense Plan. Include portrayal of the overall budgeting and funding to include funds necessary for termination of the program and any anticipated future funding needs. Identify unobligated funds. Establish a timetable for withdrawal of program funds and address the status of all funding actions that have an actual or contingent liability.

Termination results in adjustments to current and out year funding as noted below.

RDT&E										
		<i>Then Year \$ in Thousands</i>								
	PE	BPAC	FY11	FY12	FY13	FY14	FY15	FY16	FY17	
Available	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	
Required			XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	
Excess			XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	

PROCUREMENT												
		<i>Then Year \$ in Thousands</i>										
	Approp	PE	BPAC	Mod #	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Available	3010	XXXXX	XXXXX	N/A	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Required					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Excess					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Available	3010	XXXXX	XXXXX	1297	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Required					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Excess					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Available	3080	XXXXX	XXXXX	N/A	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Required					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Excess					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
Total Excess Procurement					XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

Instructions:

1. Enter the funding amount released in the fiscal years with active funding (e.g. FY10 - 12) in the "Available" row for each funding line.
2. Enter FY13 PB amounts (or most current PB) for the FYDP (FY13 - 17) in the "Available" row for each funding line
3. Enter the amount required to terminate in the program in the "Required" row for each appropriation.
4. Excess in the difference between the "Available" and "Required" funding line.

9 Termination Actions and Milestones. Document the termination process, including lessons learned from the program being terminated. Provide a schedule that identifies tasks and milestones for activities involved in termination, to include the planned date of program office disestablishment and facility transition. Include other pertinent milestones, such as the following:

- | | |
|---|-----------|
| a. Service Acquisition Executive briefed on Termination Plan | DD MMM YY |
| b. USD (AT&L) briefed on Termination Plan | DD MMM YY |
| c. Congressional Notification made by SAF/LL | DD MMM YY |
| d. Issue Termination Notice to prime contractor | DD MMM YY |
| e. Contractor notified, w/request for termination settlement proposal (TSP) | DD MMM YY |
| f. TCO conducts opening conference on termination process | DD MMM YY |
| g. Contractor provides estimate of termination cost | DD MMM YY |
| h. Receive Contractor's TSP | DD MMM YY |
| i. TCO negotiates final settlement and issues contractual modifications | DD MMM YY |

10 Authorizations/Personnel Summary. Include proposed disposition of all manpower authorizations and personnel involved in the termination including those required for completion of close-out activities and those available for reassignment. When appropriate, include the schedule of proposed draw down of manpower authorizations by fiscal quarter or if possible by month. Provide the personnel summary in formats similar to the following:

MILITARY: (Current Auth) (On Board) (Required After**)

CIVILIAN: (Current Auth) (On Board Auth) (Required After**)

CONTRACTOR: (Current Auth) (On Board Auth) (Required After**) ** Identify the functions (as stated in item 4) of all personnel resources required after termination.

	Position Number	PAS	OSC	AFSC	OCC	GRADE	PEC	EFF DATE MM/DD/YY	REMARKS
From:	XXXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
To:									
From:									XXX
To:									

11 Agreements and Commitments. Identify any Memoranda of Agreement/Understanding that supports the program system being terminated. Address withdrawal from any agreement/understanding including international programs.

COORDINATION:

PM, PCO, TCO, DCMA, MAJCOM RQMTS DIR, PEO, CENTER/CC, CAPABILITIES DIR, MDA

(Losing Organization)

(Gaining Organization)

Automated Information Systems: _____

(Functional Proponent)

Headquarters, United States Air Force Review: _____

(SAF/AQX)

APPROVAL: _____

(Air Force Service Acquisition Executive)

(NOTE: This Template is applicable to ACAT I programs where the SAE is the MDA, but it can be tailored for use on ACAT ID/IAM programs where the DAE is the MDA, or for use on ACAT II & III programs where the PEO is the MDA.)

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