



IOWA DEPARTMENT OF JUSTICE

ATTORNEY GENERAL
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Termination of a Contract

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[Administrative Rule 61-9.62(13)(1-3)]

Contracts may be terminated for the following reasons:

Termination on notice by the Department (CVAD). Following written notice, the Department may terminate this contract for convenience without the payment of any penalty or incurring any further obligation to the non-terminating party. Following termination upon notice, the Department will pay the Program upon submission of any outstanding performance reports, any active files and/or work product, or anything outlined in the closeout letter issued by the Department. The Program will also need to submit the disposition of any capitalized equipment, invoices and proper proof of claim, for services provided under this contract up to and including the date of termination, minus any funds owed the Department

Termination for cause by the Department. The Department may declare the Program to be in default of its obligations under this contract when any of the following events occurs:

1. The Program fails to observe and perform any covenant, condition or obligation created by the contract;
2. The Program fails to make substantial and timely progress toward performance of the contract; or
3. The Program's work product and services fail to conform with the requirements of this contract.

Termination by the Department due to lack of funds or change in law. Despite anything in this contract to the contrary, and subject to the limitations, conditions, and procedures set forth below, the Department may terminate this contract without penalty by giving written notice to the Program if any of the following occurs:

1. The legislature or governor fails to appropriate funds sufficient to allow the Department to operate as required and to fulfill its obligations under this contract;
2. If funds are de-appropriated or not allocated;
3. If the federal government reduces or eliminates the federal grant;
4. If the Department's authorization to operate is withdrawn or there a material alteration in the programs administered by the Department; or
5. If the Department's duties are substantially modified.

Termination on notice by the Program (Subrecipient). Following written notice, the Program may terminate this contract for convenience without the payment of any penalty or incurring any further obligation to the non-terminating party. Following termination upon notice, the Department will pay the Program upon submission of any outstanding performance reports, any active files and/or work product, or anything outlined in the closeout letter issued

by the Department. The Program will also need to submit the disposition of any capitalized equipment, invoices and proper proof of claim, for services provided under this contract up to and including the date of termination, minus any funds owed the Department

Notice of default

If there is a default event that the Program can cure, the Department must provide written notice to the Program requesting that the breach or noncompliance be immediately remedied. If the breach or noncompliance continues 10 days beyond the date of the written notice, the Department may immediately terminate the contract without additional written notice or enforce the terms and conditions of the contract and seek any legal or equitable remedies. In either event, the Department may seek damages due to the breach or failure to comply with the terms of the contract.

Program Remedies

If the Department terminates this contract due to convenience, cause, lack of funds or change in law as provided above, the Program's exclusive, sole, and complete remedy is the payment for services completed prior to and including the date of termination.

Set Off

Should the Department obtain a money judgment against the Program because of a default under this contract, the Program consents to such judgment being set off from moneys owed the Program by the State of Iowa or any other agency of the State of Iowa under any other contract.

Program Duties Upon Termination

When the Program receives the Department's notice of termination for any reason allowed under this contract, the Program must cease all work under this contract except any work the Department directs the Program to perform. The Program must also comply with the Department's instructions for the timely transfer of any active files and related work product. [Administrative Rule 61—9.63(13)]

Indemnification

The Program agrees to indemnify and hold the State of Iowa, the Department, and the Attorney General's Office harmless from any or all liabilities including, but not limited to:

1. Program's performance or non-performance of a contract entered into, or violation of these local, state and federal rules, laws and regulations; or
2. Program's activities with subcontractors and all other third parties, or any other act or omission by a Program, its agents, officers, and employees [Administrative Rule 61—9.63(13)]; or
3. Any Violation of this Agreement by the Program; or
4. Any negligent acts or omissions of the Program.

