

Termination for Convenience

(Contracts Under £5m)

DEFCON 656A

Edition 08/16

1. The Authority shall have the right to terminate the Contract in whole or in part at any time by giving the Contractor at least 20 (twenty) business days written notice (or such other period as may be stated in the Contract).
2. The Authority shall indemnify the Contractor against any commitments, liabilities or expenditure which would otherwise represent an unavoidable loss by the Contractor, subject to:
 - a. the Contractor taking all reasonable steps to mitigate such loss; and
 - b. the Contractor submitting a fully itemised and costed list of such loss, with supporting evidence, reasonably and actually incurred by the Contractor as a result of the termination of the Contract or relevant part thereof.
3. The Contractor shall include in any sub-contract over £250,000 which it may enter into for the purpose of the Contract the right to terminate the sub-contract under the terms of Clauses 1 to 2 except that:
 - a. the notice period for termination shall be as specified in the sub-contract, or if no period is specified 20 (twenty) business days; and
 - b. the Contractor's right to terminate shall be restricted by including the following additional clause "Provided that this right is not exercised unless the main contract, or relevant part, has been terminated by the Secretary of State for Defence in accordance with the provisions of DEFCON 656A".
4. The Authority's total liability under the provisions of this Condition shall be limited to the total price of the Contractor Deliverables payable under the Contract (or relevant part), including any sums paid, due or becoming due to the Contractor at the date of termination.