



DEPARTMENT OF THE ARMY
UNITED STATES ARMY TANK - AUTOMOTIVE AND ARMAMENTS COMMAND
ROCK ISLAND, ILLINOIS 61299-7630

REPLY TO
ATTENTION OF

29 June 2000

Training Systems Team (AMSTA-LC-CTRR)

SUBJECT: Contract Delivery Order DAAE20-00-F-0044, Stop Work Order

Mr. Paul Faust
Caswell International Corporation
2540 Second Street N.E.
Minneapolis, Minnesota 55418-3474

Dear Mr. Faust,

Reference:

- a. Delivery Order DAAE20-00-F-0044 under GSA Contract GS02F0434D, Noun: DP62 (Moving Armored Target System (MATS)).
- b. Telephone conversation between Mr. Paul Faust, Caswell International Corporation and Mr. Brian Schmidt, TACOM-RI, 23 June 2000, Subject: Same as subject above.
- c. E-Mail message from Mr. Brian Schmidt, TACOM-RI to Mr. Paul Faust, Caswell International Corporation, 23 June 2000, subject: Same as subject above.

A protest has been filed with the General Accounting Office (GAO) by ATA Defense Industries, Incorporated 7483 Candlewood Road, Suite E, Hanover, Maryland 21076. The protest was filed within 10 working days from award of the Delivery Order.

In accordance with FAR 33.104(a)(2) you are hereby notified of said protest. A copy of the protest is enclosed. You are further instructed to direct any questions concerning this protest directly to the GAO, with a copy furnished to this agency and other participating parties when they become known, in accordance with FAR 33.104(a)(2)(i) and (ii).

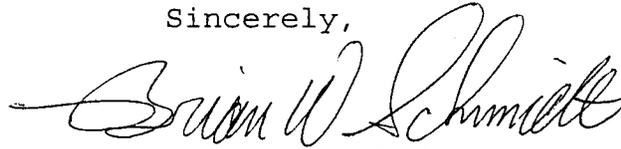
As a result of this protest and in accordance with 31 U.S.C. Section 3553 (d), Caswell is hereby directed to immediately stop performance of work called for by this Delivery Order.

Attachment 002

Upon receipt of this order, Caswell shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

The Point of Contact is Ms. Linda M. Graff, AMSTA-LC-CTRR, telephone (309) 782-3865, datafax (309) 782-2993, electronic mail graffl@ria.army.mil.

Sincerely,

A handwritten signature in cursive script, reading "Brian W. Schmidt". The signature is written in black ink and is positioned above the typed name and title.

Brian W. Schmidt
Contracting Officer

Enclosure

CF:
DCMC-Twin Cities



DEPARTMENT OF THE ARMY
UNITED STATES ARMY TANK - AUTOMOTIVE AND ARMAMENTS COMMAND
ROCK ISLAND, ILLINOIS 61299-7830

REPLY TO
ATTENTION OF

AMSTA-LC-CTR-R (Targetry Team)

21 July 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Paul Faust
Caswell International Corporation
2540 Second Street N.E.
Minneapolis, Minnesota 55418-3474

Dear Mr. Faust:

RE: NOTICE OF TERMINATION FOR CONVENIENCE, CONTRACT
NO. DAAE20-00-F-0044

Your delivery order DAAE20-00-F-0044 (hereinafter referred to as "the delivery order") under contract GS-02F-0434D, is hereby terminated in its entirety pursuant to clause Contract Terms and Conditions-Commercial Items, paragraph (1) Termination for the Government's convenience, FAR 52.212-4. Such termination is effective on the 23 June 2000 (date of the Stop Work Order).

CESSATION OF WORK

You shall stop all work, make no further shipment, and place no further orders in connection with the delivery order, except:

- a. To the extent necessary to perform any portion thereof not terminated by this notice or,
- b. To the extent that you may wish to retain and continue any work in progress or other material for your own account, or
- c. To the extent the Contracting Officer authorizes you to continue work in process for reason of safety or to clear (or avoid damage to) equipment or to avoid immediate complete spoilage of work-in-process having definite commercial value, or otherwise to prevent undue loss to the Government. If you believe this authorization is necessary or advisable, you shall immediately notify the Contracting

Attachment 003

Officer by telephone or personal conference to obtain instructions.

You shall keep adequate records, of your compliance with this section, showing the date you received your Notice of Termination, effective date of such termination, and the extent of completion of performance on such effective date.

You shall take such other actions as may be required by the Contracting Officer or under the termination clause contained in your contract.

NOTIFICATION TO IMMEDIATE SUBCONTRACTORS

You shall give notice of termination to each of your immediate subcontractors (including suppliers) who will be affected by the termination of your delivery order. In such notice, you shall:

a. State the number of your contract/delivery order with the Government.

b. State that the delivery order has been terminated completely for the convenience of the Government.

c. Instruct the subcontractor to stop all work, to make no further shipments, to place no further order, and to terminate all subcontracts under this delivery order with you (subject to the same exceptions stated under "Cessation of Work").

d. Direct the subcontractor to submit his settlement proposal promptly in order to expedite settlement, and

e. Request that the subcontractor give similar notice and instruction to his immediate subcontractor(s).

NOTICE OF LEGAL PROCEEDINGS

You shall notify the Contracting Officer of any pending legal proceedings which relate to any subcontracts or purchase orders under the terminated delivery order or which have resulted in or which are intended to result in a lien or encumbrance on any termination inventory you propose and are authorized to purchase, retain, or dispose of. The Contracting Officer shall also be promptly

notified of any such proceedings brought after receipt of this notice.

TERMINATION INVENTORY

You shall forthwith transfer title to and deliver to the Government, in accordance with any instructions of the Contracting Officer, all items of termination inventory (including subcontractor termination inventory which, under terms of the subcontract or purchase order concerned, you have the right to take over).

In connection with the settlement of your claim, it will be necessary to establish that all your termination inventory and that of your subcontractor(s) has been properly accounted for. For detailed information, see Federal Acquisition Regulation, Part 45.

COMPLETED END ITEMS

You shall notify the Contracting Officer of the number of articles completed under the delivery order and still on hand and arrange with him for their delivery or other disposal. Subject to FAR 49.205, you will invoice acceptable completed end items under the delivery order in the usual way and not include them in your settlement proposal.

PATENTS

Your attention is called to any provisions of the contract/delivery order which may require you to make a disclosure of, and to deliver to the Government, instruments of license or assignment respecting all inventions, discoveries, and patent applications made by you in the performance of the contract. You are urged to forward such disclosures and instruments of license or assignment to the Contracting Officer promptly, inasmuch as these contractual obligations must be complied with before execution of the final settlement agreement. This paragraph may be disregarded if the contract/delivery order contains no such patent provisions.

SETTLEMENTS WITH SUBCONTRACTORS

You remain liable to your subcontractors and suppliers for claims arising by reason of the termination of their

subcontracts and orders. You are requested to settle such termination claims as promptly as possible. For purpose of reimbursement by the Government, such settlements will be governed by provisions of FAR 49.108.

EMPLOYEES AFFECTED

If this termination, together with all other outstanding terminations, will necessitate a significant reduction in your work force, as described below, you are urged to:

- a. Promptly inform the local state employment service of your reduction-in-force schedule in numbers and occupations, so that they can take timely action in assisting displaced workers.
- b. Give affected employees maximum practical advance notice of the employment reduction, and inform them of the facilities and services available to them through the local state employment service office.
- c. Advise affected employees to file applications with the state employment service in order to qualify for unemployment insurance, if necessary.
- d. Inform officials of local unions having agreements with you of the impending reduction-in-force, and
- e. Inform the local Chamber of Commerce and other appropriate organizations which are prepared to offer practical assistance in finding employment for displaced workers of impending reduction-in-force.

Normally, a reduction of two hundred or more workers during any one month of the period of the reduction-in-force will be considered significant. However, a reduction of a lesser number of workers in any one month, or in several successive months, also may have a serious adverse impact in a small community affected by other layoffs.

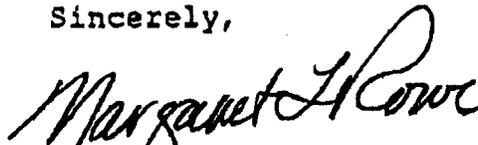
To the extent appropriate and practicable, you are requested to urge subcontractors, if any, to take actions similar to those described above.

ADMINISTRATIVE

The contract administration office named in your contract will furnish you the name of the Terminating Contracting Officer who will be in charge of the settlement of this termination, and who will, upon request, provide you with the necessary settlement forms. Matters not covered by this Notice should be brought to the attention of the Contracting Officer specified in Block 20 of SF 26.

Please acknowledge receipt of this Notice as provided on the following page.

Sincerely,



MARGARET L. ROWE
Contracting Officer

Copies Furnished:
Cdr, DCMC Twin Cities
Liz Craig
US Small Business Administration
500 W. Madison Street - Ste. 1250
Chicago, IL 60661-2511

AMSTA-LC-CTCD