State of Utah Department of Health and Human Services
Office of Procurement and Contract Management
Agreement Termination Instructions

Agreements may be terminated in accordance with the termination procedures in the agreement terms and conditions. Standard DHHS terms allow agreements to be terminated with or without cause and upon mutual agreement. After an agreement has been terminated, it cannot be reinstated through an amendment. Divisions must take appropriate steps to minimize disruption of client services and protect client records when terminating an agreement. Standard DHHS terms allow for immediate termination of an agreement if an agreement violation creates or is likely to create a risk of harm to clients.

A. DHHS Division Initiated Termination

1. Review the agreement termination provisions, review the circumstances leading to the decision to terminate, and identify the termination method (with or without cause).
2. Submit an Agreement/Procurement Request form as applicable.
3. Draft a termination letter notifying the contractor of intent to terminate the agreement in accordance with any timeframes required by the agreement. Include the termination date in the letter. Do not disclose private or protected information in the letter.
4. Email the letter to PCM at dhhscontracts@utah.gov for review.
5. PCM will submit the letter to the DHHS Division Assistant Attorney General (AAG), as applicable, for review. PCM will work with you to finalize the letter, including obtaining the EDO signature. PCM will enter the termination in SharePoint Contracts, which will send the notice to the contractor and State Purchasing or State Finance.
6. For State Purchasing contracts, include a completed Request to Cancel an Agency Agreement form in the email to PCM. For contracts paid in FINET, include in the email how long the agreement should remain active in FINET.
7. Notify PCM of any negotiations with the contractor to stay termination.
8. For client service contracts, ask the contractor via email whether it is able to meet the agreement's record retention requirements. Arrange to transfer records to the division if needed. Copy PCM and the agreement contact for legal notices on all correspondence.
9. Advise relevant OU staff of the last date of service allowed under the agreement.
10. Coordinate necessary termination activities in OU systems and/or FINET, including the closing of all PSA's on or before the last date of service.

B. Contractor Initiated Termination (Where Allowed by Terms)

1. If a contractor verbally notifies an OU of intent to terminate an agreement, instruct the contractor to submit a written notice with the termination date, agreement number, and reason for termination.
2. If the termination notice was sent from someone other than the contractor's contact for legal notices, verify with the contractor's contact for legal notices that the termination notice is authorized. Send the notice to PCM at dhhscontracts@utah.gov, including how long the agreement should remain open in FINET, as applicable.
3. Ensure the termination notice is compliant with the agreement and client services are not interrupted. Work with the contractor and the AAG if the notice violates the agreement or if pursuing negotiations to stay the termination. Notify PCM of any negotiations to stay termination.
4. For client service contracts, ask the contractor via email whether it is able to meet the agreement's record retention requirements. Arrange to transfer records to the division if needed. Copy PCM and the agreement contact for legal notices on all correspondence.
5. Advise relevant OU staff of the last date of service allowed under the agreement.
6. Coordinate the necessary termination activities in OU systems, including the closing of all PSA's on or before the last date of service.
7. PCM will enter the termination in SharePoint Contracts, which will send a notice to the contractor and State Purchasing or State Finance.

C. Termination by Mutual Agreement

1. If both parties agree to terminate the agreement early, submit an Agreement/Procurement Request form as applicable.
2. The PCM contract analyst will enter an amendment in SharePoint Contracts to change the termination date. SharePoint will send the amendment to both parties for signatures, and to State Finance or State Purchasing, as applicable.

D.   Template Notice of Termination

*This template is for contracts using the DHHS Client Service Terms. The template may be edited as needed.

DEPARTMENT LETTERHEAD

Date

Re: Termination of Agreement Number ____

Dear (insert the contractor's contact for legal notices):

The Department of Health and Human Services intends to terminate agreement number _____ between DHHS and ____ (contractor's name as listed on the agreement, including dba) with cause/without cause. (If with cause, state the cause). The agreement will terminate on __/__/__.

This termination is in accordance with Part __ Section __, Item __, which allows DHHS to terminate the agreement with or without cause in advance of the agreement's expiration date by giving the other party __ days written notice.

Please be aware DHHS will enforce Section 7.3 "**Client Records Retention:** The Contractor shall retain all adult client records (including records that support Title XIX reimbursements) for at least six years from the day of last service to the adult client. The Contractor shall retain all records relating to clients under 18 years old (including records that support Title XIX reimbursements) for at least six years from the day of last service to the child client, or until the child client reaches the age of 22, whichever period is longest." *Replace as necessary with applicable term.*

The agreement also allows DHHS to take possession of the records if the contractor is unable to meet these retention requirements. If (insert contractor's name) anticipates a problem meeting the retention requirements, contact _____, at (801) 538-_____ to arrange transfer of the records to DHHS. If a DHHS audit reveals a problem meeting this requirement, DHHS will take action to protect the records.

Sincerely,

Tracy S. Gruber

Executive Director

cc: Office of Procurement and Contract Management