

# Trump Administration Implements "Revolutionary" Overhaul of the Federal Acquisition Regulation<sup>1</sup>

The Trump Administration is in the throes of a "revolutionary" overhaul to the Federal Acquisition Regulation ("FAR"). President Trump launched the project on April 15, 2025, when he issued Executive Order No. 14275, "Restoring Common Sense to Federal Procurement" (the "Order"), and since then the Administration has been busy implementing the Order. In short, the Order requires the deregulation of the federal procurement enterprise and the empowering of agencies to act nimbly and effectively in the best interests of the nation. To achieve this, the Order directed the Administrator of the Office of Federal Procurement Policy ("OFPP"), in coordination with the Federal Acquisition Regulatory Council (the "FAR Council") and various agency officials, to take action within 180 days to amend the FAR so that it "contains only provisions that are required by statute or essential to sound procurement."<sup>2</sup>

The Office of Management and Budget ("OMB") instructed the cognizant officials to implement the Order in two phases. <sup>3</sup> Phase I, which is complete, involved leveraging agency authority in FAR Subpart 1.4 to issue FAR deviations ahead of formal rulemaking. <sup>4</sup> In this phase, the FAR Council issued, on a rolling basis, guidance to the agencies with model deviation text by FAR part. Agencies then had thirty days to adopt the FAR deviations based on the model text. <sup>5</sup> As of September 30<sup>th</sup>, 2025, the FAR Council had issued model deviation text with changes to all of the 53 sections of the FAR and most of the major agencies, with the

<sup>&</sup>lt;sup>1</sup> This article was co-authored by Mr. Martins and Mr. Christopher Bouquet of the Law Office of Christopher Bouquet, PLLC.

<sup>&</sup>lt;sup>2</sup> *Id.* at Sec. 2.

<sup>&</sup>lt;sup>3</sup> Office of Mgmt & Budget, Exec. Office of the President, OMB Memorandum no. M-25-26, Overhauling the Federal Acquisition Regulation (2025) at <a href="https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-26-Overhauling-the-Federal-Acquisition-Regulation-002.pdf">https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-26-Overhauling-the-Federal-Acquisition-Regulation-002.pdf</a>.

<sup>&</sup>lt;sup>4</sup> See the FAR Council's May 2<sup>nd</sup>, 2025 memorandum for detailed guidance concerning the issuance of the FAR deviations at <a href="https://www.acquisition.gov/sites/default/files/page\_file\_uploads/FAR-Council-Deviation-Guidance-on-FAR-Overhaul.pdf">https://www.acquisition.gov/sites/default/files/page\_file\_uploads/FAR-Council-Deviation-Guidance-on-FAR-Overhaul.pdf</a>.

<sup>&</sup>lt;sup>5</sup> For transparency, the OFPP and FAR Council have been posting the model text and the deviations on the "Revolutionary FAR Overhaul" or "RFO" website.

notable exception of the Department of Defense, were in the process of adopting those deviations. In Phase II, leveraging the work done in Phase I, the FAR Council will undertake formal rulemaking to change the FAR and deregulate federal procurement across all agencies.

This article summarizes the FAR deviations issued by the FAR Council, previews "coming attractions" in the project and provides recommendations to contractors on how to respond to the "revolution."

FAR Deviations Issued Through September 30<sup>th</sup>, 2025. The most notable deviations to the FAR issued to date are the following:

- In response to the Order's directive to remove provisions that are not required by statute or essential to sound procurement, the FAR deviations significantly reduced the number of words in the FAR. In particular, the deviations reduced the FAR word count by 33%. As a result, contracting officers and other acquisition officials will have more flexibility and discretion in managing procurements and contracts. However, to help acquisition officials exercise their discretion, the FAR Council has promulgated the FAR Companion. This non-regulatory guidance "provides context, additional information, and practical advice for planning, awarding, managing, and closing out contracts, consistent with the FAR's core buying principles."
- To improve the organization and ease of use of the FAR, the FAR Council standardized the organization of key FAR subparts to align the regulations with the phases of the acquisition life cycle. For example, prior to the changes, the contract administrations requirements set forth in FAR Part 4, Administrative Matters, were organized under subparts for topical area (e.g., reporting, records, System for Award Management etc). After the changes, the requirements fall under subparts for the pre-solicitation, solicitation/evaluation/award and post-award phases of the acquisition life cycle.
- The FAR Council's changes introduce more plain language to the FAR. For example, cumbersome formulations in the current FAR such as "[a] prospective contractor shall not be determined responsible or non-responsible solely on the basis of . . ." are changed to directive imperatives such as "[d]o not determine a prospective contractor responsible or non-responsible solely on the basis of . . . [,]" enhancing readability by lessening formality, while

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<sup>&</sup>lt;sup>6</sup>See <a href="https://www.acquisition.gov/sites/default/files/page\_file\_uploads/FAR-Companion-Version-1.pdf">https://www.acquisition.gov/sites/default/files/page\_file\_uploads/FAR-Companion-Version-1.pdf</a>. Review of the FAR Companion is beyond the scope of this article.

- also tending to increase discretion of contracting officers and other government officials. In addition, the Council has changed "shall" to "must" in numerous places.
- The model "Revolutionary FAR Overhaul" ("RFO") deviation text for Part 1 dramatically shortened FAR § 1.102, Statement of Guiding Principles, by removing repetitive language, process requirements and coverage of "soft" objectives (e.g., providing "best value", fulfilling "public policy", satisfying federal customers). As a result, the section now tightly focuses procurement officials on core objectives, such as supporting the agency mission and the effective use of taxpayer dollars.
- The changes to FAR Part 8, Required Sources of Supplies and Services, will significantly impact agency ordering under existing multiple-award government-wide contract vehicles (e.g., the Federal Supply Schedule). Prior to the change, the FAR merely "encouraged" agencies to use such vehicles to meet their needs. After the change, new FAR 8.104 requires agencies to use an existing vehicle if it has been designated by the Office of Federal Procurement Policy a "required use" vehicle, unless the head of the contracting activity provides an exception. If there is not a suitable "required use" vehicle, agencies may use other vehicles.
- The model deviation text for FAR Part 10, Market Research, introduces new language that gives agencies a clear and explicit order of priority to use in determining the sources and solutions they will seek. In particular, new Section 10.001(f) requires agencies to determine, in the following order of priority: (1) whether a commercial product or service on an existing governmentwide contract can meet the requirement; (2) whether requirements could be modified so a governmentwide contract could be used; (3) whether a commercial product or service is available from another source; (4) whether a commercial product or service could be modified to meet the requirements; or (5) whether only a non-developmental item can satisfy the need.
- The RFO text for FAR Part 12, Commercial Items, removed language giving contracting officers discretion to use the more elaborate procedures in FAR Part 14 and 15 to evaluate quotations for contracts for commercial items valued at under \$7.5 million. As a result, contracting officers may only use the simplified procedures in FAR Part 12 to evaluate such offers.
- The changes to FAR Part 15, Contracting by Negotiation fundamentally redefine the rules governing exchanges between the government and offerors throughout the source selection process. As a result, the landscape of the bid protest jurisprudence on disparate treatment of offers will change significantly.

- The RFO removes and reserves former FAR Subpart 22.8, Equal Employment Opportunity, and related provisions in various FAR solicitation and contract clauses. This promises to significantly reduce administrative burdens of contractors associated with the development and maintenance of affirmative action plans for their various establishments.
- The changes to FAR Part 40 are significant, representing an increase in more than 250 percent in content, though much of the increase is material absorbed from Part 4, which is correspondingly shortened. It now includes a new subpart for "Processing Supply Chain Risk Information" an additional seventeen definitions, and the prohibitions pertaining to TikTok/ByteDance, Kaspersky Lab, Huawei and other Telecommunications and Video Surveillance Equipment, Federal Acquisition Supply Chain Security Act (FASCSA) Orders, Office of Foreign Assets Control (OFAC) Restrictions, Sudan, and Iran.
- The changes to FAR Part 42 include the removal in of language limiting past performance information to future "source selection" purposes, opening the door to use of performance evaluation information, starting April 1, 2026 and after, during any part of the acquisition lifecycle.

See Attachment One for summaries of all the RFO deviations issued by the Trump Administration.

Previews of Coming Attractions. As noted above, in Phase II, the FAR Council will undertake formal rulemaking to change the FAR and deregulate federal procurement. The rulemaking will be "informed by the model deviation text, public input on the text received on the RFO website, operational experience with agency deviations" and other appropriate inputs. In addition, OMB expects agencies to streamline their FAR supplements to align with the FAR Council's guidance. Furthermore, pursuant to authority granted in the Order<sup>8</sup>, the amended FAR must include sunset rules under which all non-statutory FAR provisions will expire four years after the final rulemaking unless the provisions are renewed by the FAR Council. This will ensure that the provisions are periodically reviewed in light of agency experience and removed or refreshed accordingly, thereby deterring

<sup>&</sup>lt;sup>7</sup> The model deviation text for Part 40 was published prior to the September 25, 2025 executive order purporting to enable an American-led group of investors to purchase TikTok from China's ByteDance, an agreement that has not been finalized. Whether and how this new development may affect the TikTok prohibition in the FAR is left to future updates.

<sup>&</sup>lt;sup>8</sup> Exec. Order No. 14275, at Sec. 6.

accretions to and growth in unnecessary regulations. <sup>9</sup> To date, OMB has not said whether they will issue draft rules for public comment or issue interim regulations with immediate effect that will later be finalized in response to public comments. Given the 180 day deadline in the Order for amendment of the FAR, we suspect that, following the shutdown, they will issue interim regulations with immediate effect.

Concerning the applicability of the RFO text to existing contracts, the general rule is that the version of a clause incorporated into the contract at execution is the one that applies throughout the term of the contract unless the parties agree to a modification that inserts a more recent version. To date, neither OMB nor the FAR Council have provided any guidance concerning whether agencies should modify existing contracts to incorporate the new FAR deviation clauses. However, we expect such guidance will be included in the Federal Register notice formalizing the RFO changes. It is possible that they will follow recent practice and require agencies to add new clauses and clause versions in modifications that execute contract options. However, it is more likely that, to prevent disruptions in contract performance that could result from the sweeping changes in the RFO, OMB and the FAR Council will limit the applicability of the RFO text to new solicitations and contracts.

OMB's guidance also requires agencies and OFPP to develop "buying guides that highlight proven innovative buying techniques for different phases of the acquisition lifecycle as well as solutions and manageable procurement pathways." Whereas the FAR Companion will serve as general complementary guidance for all acquisition professionals, the buying guides will "focus on best practices for applying innovation and streamlining throughout the acquisition lifecycle and on specific categories of the most popular common spend categories, including information technology (IT), professional services, and facilities and construction." We hope that the authors of the buying guides comply with the OMB guidance to highlight and apply innovation to the guides. As of September 30th, 2025, the buying guides were still under development.

**Recommendations**. Following are key recommendations concerning the Administration's deregulatory actions to date:

• The RFO's deregulation of the federal procurement enterprise should create strategic opportunities for contractors to increase both revenues and profits while meeting the government's needs for innovative products and services in

<sup>&</sup>lt;sup>9</sup> *Id.* at Appendix, Sec. 2.

<sup>&</sup>lt;sup>10</sup> *Id.* at Appendix, Sec. 3.

a cost effective and timely manner. However, to take advantage of these opportunities, contractor management and its counsel should closely monitor the FAR Council's issuance of RFO model text and the associated rulemaking and adjust strategic business plans accordingly. For example, contractors participating in a contract vehicle that is designated by OFPP as "required use" under the new provisions of FAR Part 8 will want to adjust their marketing messages to advertise the preferred status of their contractor.

- Contractors submitting proposals to agencies should expect to see the RFO text in the solicitations for new contracts, either under provisions/clauses marked as "deviation" or, following the rulemaking, in formally adopted new or revised provisions/clauses. Contractors and their counsel should carefully review the contents of the RFO text and ensure proposals are compliant with the revised requirements. This will also facilitate preparation for compliance with the RFO text that the agency will include in new contracts.
- In addition, contractors should, prior to the deadline for submission of questions to the CO, determine whether the solicitation includes provisions/clauses that are either prohibited by the RFO text or do not reflect the latest authorized RFO provision/clauses and consider posing questions to the CO that identify the issue. This will help shape the ultimate contents of the contract so that contractors can take advantage of the flexibility promised by the RFO.
- Contractors should ensure that management, legal and contracts personnel are trained on the RFO changes.
- As noted above, until existing contracts are modified to remove prohibited clauses and substitute deviation or revised clauses, contractors should comply with the terms of their contracts as written.

**Conclusion**. If properly implemented, the RFO changes would be the most significant we have seen in our years of practicing government contracts law. We look forward to working with our clients to help navigate these changes.

#### **Attachment One**

#### **Summaries of FAR Deviations Issued to Date.**

Following are highlights of the RFO deviations issued as of September 30<sup>th</sup>, 2025 by the Trump Administration<sup>11</sup>:

- Part 1- Federal Acquisition Regulation System. FAR Part 1 sets forth important high-level policy guidance concerning the FAR "system", which consists of the FAR, agency acquisition regulation supplements and, under the RFO, will also include non-regulatory acquisition guides that describe best acquisition practices. The FAR Council's model RFO deviation text for Part 1 dramatically shortened FAR § 1.102, Statement of Guiding Principles, by removing repetitive language, process requirements and coverage of "soft" objectives (e.g., providing "best value", fulfilling "public policy", satisfying federal customers). As a result, the section now tightly focuses procurement officials on the following guiding principles:
  - (1) Meet an agency's mission efficiently and effectively first;
  - (2) Ensure the most effective use of taxpayer dollars in ways that recognize the value of time, encourage innovation, promote merit, satisfy the customer, and balance these interests and objectives;
  - (3) Maximize buying commercial products or commercial services rather than requiring Government-unique solutions;
  - (4) Award contracts to contractors who demonstrate a superior ability to perform;
  - (5) Promote competition and fair opportunity;
  - (6) Conduct business with integrity, fairness, and openness; and
  - (7) Delegate the authority to make decisions and the accountability for the decisions to the lowest level within the System, consistent with law. The contracting officer must have the authority, to the maximum extent practicable and consistent with law, to determine how and when to apply rules, regulations, and policies on a specific contract.

In addition, the model deviation text shortened other subparts by removing and streamlining a number of process requirements. Notably, consistent with the Order, new section 1.109, Regulatory Sunset, provides that "all FAR sections

<sup>&</sup>lt;sup>11</sup> As of this date, some agencies (most notably DoD) had missed the 30-day deadline to issue deviations based on the model text. This article only presents high level summaries of the changes. Detailed analysis of the changes is beyond the scope of the article.

- that are not required by statute must expire 4 years after the effective date of the sections, unless renewed by the Federal Acquisition Regulatory Council."<sup>12</sup> The changes reduced the word count of this part by 66.6%.
- Part 2 Definitions. This part of the FAR defines words and terms that are frequently used in the FAR and requires incorporation of these definitions in solicitations and contracts, through incorporation by reference of FAR 52.202-1, Definitions. The RFO text consists only of those definitions that have been revised in connection with various FAR parts i.e., the definitions of "commercial product", "commercial service", "commercially available off-the-shelf item or COTS item", "Governmentwide point of entry (GPE)", "micropurchase", "non-developmental item", "offer", "offeror", and "purchase order". The FAR Council directed contracting officers to use the RFO definitions with agency RFO deviations in lieu of the definitions at FAR 2.101. For all other FAR 2.101 definitions, agency RFO deviations must use the definitions currently published at FAR 2.101. <sup>13</sup>
- Part 3 Improper Business Practices and Personal Conflicts of Interest. Since part 3 consists predominately of regulations implementing statutory requirements, the RFO text retains the current FAR text with minimal deletions and minor updates made for plain language and streamlining. <sup>14</sup>
- Part 4- Administrative Matters. The FAR Council reorganized the contract administration requirements of this part to improve ease of use. Prior to the changes, the requirements were organized by subparts for topical area (e.g., reporting, records, close-out etc). After the changes, the requirements fall under subparts for the pre-solicitation, solicitation/evaluation/award and post-award phases of the acquisition life cycle. In addition, the model text removed a number of subparts pertaining to information and supply chain security requirements and relocated them to Part 40. It also exempted contracts for commercial products and services from the requirements of FAR 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions. According to the practitioner's album accompanying the model deviation text, the RFO changes will impact the System for Award Management ("SAM"), the official U.S. government website where entities register to do business with and make certain representations to the federal government concerning their

 $<sup>^{12}\ \</sup>underline{\text{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-1}}$ 

 $<sup>^{13}\ \</sup>underline{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-2}$ 

<sup>&</sup>lt;sup>14</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-3

<sup>15</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-4

compliance with various requirements. Currently, there are three types of representations and certifications that an entity attests to in SAM in order to do business with the government: entity level, procurement specific, and "by submission of an offer" representations applying to all proposals. Starting in January 2026 (at the earliest), the FAR Council plans to change SAM so that it contains only the entity level representations and certifications and that procurement specific and "by submission of an offer" representations and certifications are submitted with offers.<sup>16</sup>

- Part 5-Publicizing Contract Actions. Part 5 sets forth policies and procedures for publicizing contract opportunities and award information in SAM. According to the summary of the RFO changes, Part 5 is "revised from a complex, topic-based structure to a streamlined, chronological process that mirrors the three main phases of an acquisition. The revision makes extensive use of tables to present complex information regarding content requirements and timing, a significant departure from the dense paragraphs of the original text." The changes reduced the word count of this part by 54.7%.
- Part 6-Competition Requirements. The model deviation text makes the regulation more concise, primarily by removing (i) provisions that duplicated coverage in FAR Part 19, Small Business Programs, concerning set-asides for various types of small businesses; (ii) illustrations of the proper uses of various authorities to limit competition; (iii) detailed prescriptions concerning the responsibilities of agency competition advocates; and (iv) streamlining requirements for justifications and approvals of limitations on competition. The changes reduced the word count by 52%.
- Part 7-Acquisition Planning. A word count reduction of 52% is achieved by the model deviation text, which eliminates altogether (by reserving section 7.105) the detailed instructions regarding elements, milestones, and required documentation in written acquisition plans and instead references only that planning must suit the acquisition type. The model deviation text also shortens and consolidates the Agency Head requirements, limiting them to broader criteria rather than enumerating mandates regarding sustainability, review/approval steps, use of metric system, and other matters. Other streamlining includes collapsing separate sub-sections under consolidation and

<sup>&</sup>lt;sup>16</sup> https://www.acquisition.gov/sites/default/files/practitioner\_albums/far-part-4-administrative-and-information-matters/content/index.html#/lessons/wfOxfEO7EDE4nz7wLYtkheDU8tmFTzEF

<sup>&</sup>lt;sup>17</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-5

<sup>18</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-6

bundling, stripping procedural detail, and omitting examples and justifications. Also removed are various procedural steps from the subpart on equipment acquisition and cross-references from the subpart on inherently governmental functions. One substantive difference is that whereas the FAR prohibits unfavorable evaluation of offers proposing telecommuting unless the agency justifies a prohibition with specific documentation, including of security requirements, the model deviation text directs unfavorable evaluation when the solicitation expressly prohibits teleworking and otherwise omits further discussion of evaluation, thereby reducing the prescriptive content of the FAR beyond statutory requirements of 41 U.S.C. 3306(f).<sup>19</sup>

Part 8-Required Sources of Supplies and Services. FAR Part 8 requires agencies to satisfy their requirements from certain mandatory sources of supplies and services (e.g., agency inventories) prior to engaging in acquisitions in the open market. It also addresses agency use of existing government-wide contract vehicles to acquire items not available from the mandatory sources. As in other FAR parts, the model deviation text improves usability by restructuring and organizing the part so that it aligns with the logical flow of the acquisition lifecycle. The most notable substantive change concerns the use of existing multiple-award government-wide contract vehicles (e.g., the Federal Supply Schedule). Prior to the change, the FAR merely "encouraged" agencies to use such vehicles to meet their needs. After the change, new FAR 8.104 requires agencies to use an existing vehicle to buy needed commercial products and services if it has been designated by the Office of Federal Procurement Policy a "required use" vehicle, unless the head of the contracting activity provides an exception (e.g., because its terms and conditions, scope, or performance period do not meet the agency's needs). If there is not a suitable "required use" vehicle, agencies then are encouraged to "consider" use of other existing vehicles. addition, the model deviation text moves provisions from FAR Part 51 and related clauses regarding contractor use of government sources of supply to new FAR section 8.105 and removed certain limitations on such use. As a result, FAR Part 51 is now removed and reserved. Finally, the deviation moves guidance and procedures for the Federal Supply Schedule ("FSS") program from FAR subpart 8.4 and FAR Part 38 to Part 538 of the General Services Acquisition Manual ("GSAM"). In connection with this move, the FAR Council removed and reserved FAR Part 38 and streamlined FSS ordering procedures.<sup>20</sup> The changes

<sup>&</sup>lt;sup>19</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-7

<sup>&</sup>lt;sup>20</sup> <a href="https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-8">https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-8</a>. See also <a href="https://www.acquisition.gov/fss-ordering-procedures">https://www.acquisition.gov/fss-ordering-procedures</a>. Discussion of the changes to the FSS ordering procedures is beyond the scope of this article.

- reduced the word count by 52%. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.
- Part 9-Contractor Qualifications. Substantial content is retained in the FAR Council's model deviation text for FAR Part 9, with much of that retention anchored to statutory provisions and executive orders governing contractor qualifications. Thus, there are few to no deviations from the FAR text prohibiting contracts with corporate expatriates (6 U.S.C. § 395), setting forth planning and solicitation requirements (10 U.S.C. § 3206 and 41 U.S.C. § 3306), prescribing policies and procedures for establishing and implementing qualification requirements (10 U.S.C. §3243 and 41 U.S.C. § 3311), implementing measures against activities that violate Arms Control Treaties (22 U.S.C. §2592e), defining a responsible source (41 U.S.C. § 113), implementing safeguards related to personal conflicts of interest of contractor employees and consultants (41 U.S.C. §§ 2303 & 2304), preventing organizational conflicts of interest (Pub. L. 117-324), and governing suspension and debarment (41 U.S.C. § 2313, Pub. L. 103-355 Sec. 2455, Pub. L. 111-84, Sec. 815, E.O. 12549, and EO 12689). Meanwhile, content in FAR 9.104-2 Special Standards, FAR 9.106 (Preaward Surveys), FAR 9.107 (Surveys of Nonprofit Agencies Participating in the AbilityOne Program), FAR 9.6 (Contractor Team Arrangements), and FAR 9.7 (Defense Production Pools and R&D Pools) have been deleted and moved to the FAR Companion Guide. Overall, the deletions and streamlining achieve a reduction of 24.7%. Substantively, one of the changes that can be expected to alter the balance of arguments between agencies and contractors over performance assessments and affect bid protest litigation is the elimination of "seriously" from the level of deficiency necessary to presume a contractor is nonresponsible. Under FAR 9.104-3(b) (Satisfactory Performance Record), "[a] prospective contractor that is or recently has been seriously deficient in contract performance shall be presumed to be non-responsible, unless the contracting officer determines that the circumstances were properly beyond the contractor's control, or that the contractor has taken corrective action." Under subsection 9.104-3(b) of the model deviation text, "a prospective contractor is nonresponsible if it is or recently been deficient in contract performance, unless the circumstances were beyond the contractor's control, or the contractor has taken Also substantively, many formulations such as "[a] corrective action." prospective contractor shall not be determined responsible or non-responsible . . "are changed to directive imperatives such as "[d]o not determine a prospective contractor responsible or non-responsible . . . [,]" enhancing readability by

- lessening formality, while also tending to increase discretion of contracting officers and government officials.<sup>21</sup>
- Part 10- Market Research. The FAR Council's model deviation text for the RFO dramatically shortens FAR Part 10 by removing detailed prescriptive requirements for the market research that agencies must perform. As a result, agencies will have more flexibility in market research methods and reduced documentation requirements. The text also includes new language encouraging agencies to "engage in responsible and constructive exchanges with industry" and providing flexibility for them to "use different strategies and methods to gather information, so long as they comply with existing law and regulation and do not provide an unfair competitive advantage to particular firms or violate the procurement integrity requirements." Finally, the text introduces new language providing a clear and explicit order of priority for sources and solutions when agencies determine how to meet their requirements using market research results. In particular, new Section 10.001(f) requires agencies to determine, in the following order of priority: (1) whether a commercial product or service on an existing governmentwide contract can meet the requirement; (2) whether requirements could be modified so a governmentwide contract could be used; (3) whether a commercial product or service is available from another source; (4) whether a commercial product or service could be modified to meet the requirements; or (5) whether only a non-developmental item can satisfy the need. This structured approach achieves the objective of the Order by focusing agencies on commercial and existing solutions first, as required by procurement best practices, and by eliminating provisions not required by law or essential to sound procurement. <sup>22</sup>
- FAR Part 11-Describing Agency Needs. The model deviation text eliminates broad swaths of detailed regulations governing the description of agency needs in solicitations, including regulations for use of brand name or equal specifications, use and maintenance of requirements documents, delivery and performance schedules, and acceptable variations in quantities of delivered items. According to the practitioner's album accompanying the model deviation text, these deletions enhance FAR Part 11 by emphasizing its requirements for (i) "clear, mission-driven, and performance-based requirements" descriptions; (ii) use of "commercial terms and practices to describe agency needs wherever possible"; and (iii) avoiding "overly prescriptive specifications that limit

 $<sup>^{21}\ \</sup>underline{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-9}$ 

<sup>&</sup>lt;sup>22</sup> https://www.acquisition.gov/sites/default/files/far-part-10-market-research/content/index.html#/

competition." The "Smart Accelerator" guidance in the album states that "sharing draft requirements documents with industry before releasing a solicitation allows government agencies to gather critical insights about technical feasibility, market capabilities, and potential implementation challenge." See the discussion below concerning associated deletions to the FAR Part 52 clauses and provisions.

Part 12-Acquisition of Commercial Products and Services. FAR Part 12 sets forth policies and procedures that enable agencies to simplify and streamline the acquisition of commercial products and commercial services. According to the FAR Council's summary of the changes, "the part has been fundamentally reengineered in its structure, scope, and operational mechanics. These changes reflect an effort to create a user-centric part that champions streamlining, flexibility, and innovation when acquiring commercial products and services." The model deviation text made six major changes. First, as in other parts, the deviation text restructured and organized the part so that it aligns with the logical flow of the acquisition lifecycle, with separate subparts for the pre-solicitation, solicitation/evaluation/award and post-award phases. Second, the deviation consolidated coverage of commercial item procurement procedures into FAR Prior to the change, FAR Part 12 dealt with commercial item procurement generally and FAR Part 13 dealt with simplified procedures for procurements of commercial items valued below \$7.5 million.<sup>23</sup> The RFO changes moved these FAR Part 13 provisions into FAR Part 12. Third, the deviation added language encouraging contracting officers to innovate in awarding contracts below the \$7.5 million threshold and providing examples of how to do so. Fourth, it added language specifying that evaluations of quotations under this threshold are not subject to the more elaborate procedures in FAR Part 14 and 15 for higher dollar procurements. Prior to this change, the contracting officer had discretion to use the more elaborate procedures. Fifth, it moved coverage of flow-down requirements for commercial item subcontracts to FAR Part 44. Subcontracts. Sixth, the deviation text revised the definition of "commercial services" in FAR Part 2 to clarify that construction services can qualify as commercial services and to clarify how services can qualify as commercial based on the catalog price.<sup>24</sup> See the discussion below concerning associated deletions to the FAR Part 52 clauses and provisions.

<sup>&</sup>lt;sup>23</sup> The thresholds increased on October 1, 2025. See <a href="https://www.federalregister.gov/documents/2025/08/27/2025-16412/federal-acquisition-regulation-inflation-adjustment-of-acquisition-related-thresholds">https://www.federalregister.gov/documents/2025/08/27/2025-16412/federal-acquisition-regulation-inflation-adjustment-of-acquisition-related-thresholds</a>.

 $<sup>{}^{24}\,\</sup>underline{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-12}$ 

- Part 13-Simplified Procedures for Noncommercial Acquisitions. As discussed above, the RFO changes moved text dealing with simplified procedures for acquisition of commercial items from FAR Part 13 to FAR Part 12. As a result, FAR Part 13 has been down-sized and repurposed to cover only simplified procedures for non-commercial acquisitions under the simplified acquisition threshold, which, as of September 30, 2025, was \$250,000 for most acquisitions. The deviation text reduced the word count of this part by 91%. See the discussion below concerning associated revision to the FAR Part 52 clause for these acquisitions.
- Part 14-Sealed Bidding. A good deal of FAR Part 14 survives the RFO due to the intact and essential statutory authorities for sealed bidding. These include 10 U.S.C. § 3201 and 41 U.S.C. § 3301 (Full and Open Competition), 10 U.S.C. § 3206 and 41 U.S.C. § 3306 (Planning and Solicitation Requirements), 10 U.S.C. § 3301 and 41 U.S.C. § 3701 (Basis of Award and Rejection), 10 U.S.C. § 3302 and 41 U.S.C. § 3702 (Sealed Bids), 10 U.S.C. § 3702 and 41 U.S.C. § 3502 (Required Cost or Pricing Data and Certification), 41 U.S.C. § 1708 (Procurement Notice), and 41 U.S.C. § 2301 (Use of Electronic Commerce in Federal Procurement). Still, reductions in wordcount of 27.8% are achieved in the model deviation text through what the overhaulers refer to as "reorganization," consolidation, and plain language revisions and modernization." The former subparts 14.1, Use of Sealed Bidding, 14.2, Presolicitation, and 14.3, Evaluation and Award, are significantly shortened through eliminating separate sections into more generalized headings. Subpart 14.4, Postaward, more distinctly divides pre-award and post-award activities, procedures, and issues. Bucking the trend of eliminating material is a new section 14.402, Pricing Modifications, which cross references to FAR part 15 material on cost and price negotiation for modifications.<sup>26</sup>
- Part 15-Contracting by Negotiation. Part 15 sets forth the rules applicable to competitive and noncompetitive negotiated acquisitions. The RFO text for Section 15.000, Scope of Part, clarifies that these rules "provide an opportunity for back-and-forth negotiation between the Government and an offeror(s) upon receipt of a proposal submitted in response to a request for proposals (RFP)." According to the change summary published in the Practitioner's Album, in addition to providing "needed clarity to both terminology and processes", the part 15 changes represent "one of the most transformative aspects of the RFO, fundamentally redefining meaningful exchanges between the government and

<sup>&</sup>lt;sup>25</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-13

<sup>&</sup>lt;sup>26</sup> <u>https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-14</u>

offerors throughout the source selection process." There were four major substantive changes. First, consistent with changes in other parts, the FAR Council reorganized the part to better align with the acquisition lifecycle, employed more direct language and consolidated previously fragmented concepts. Second, the Council changed and clarified the core vocabulary of the rules concerning exchanges between the government and offerors. Third, the RFO text provides that whereas contracting officers must negotiate with each responsible offeror within the competitive range and may further negotiate with the offerors as needed, "having further negotiations with one offeror does not require the contracting officer to have further negotiations with other offerors." Fourth, the RFO text redefines the competitive range as "the group of evaluated proposals that the contracting officer determines are best suited for further negotiation" instead of "all of the most highly rated proposals." As a result of these changes, the regulation should be more user friendly and the landscape of the bid protest jurisprudence on disparate treatment of offers will change significantly. See the discussion below concerning associated revision to the FAR Part 52 clause for these acquisitions.

**Part 16-Types of Contracts.** The overhaulers tout the changes to Part 16 as one of the major efforts to implement the new guiding principles stated in the model deviation text for FAR § 1.102 above. Although the wordcount reduction of 14.7 % is modest relative to several more drastically shortened FAR Parts, the materials explaining contract types are said to no longer inhabit a "restrictive" framework and to now embrace a "permissive" one. The policies and procedures are to be construed where possible as "tools" and "flexibilities" enabling contracting officers and procurement officials to use "novel and innovative contract structures." Key new language implementing this intent appears at Section 16.000, Scope of Part, which now includes the sentence, "Except for limited instructions regarding the placement of task and delivery orders, the entirety of this part applies to the pre-solicitation phase and is meant to guide in acquisition planning." Other specific changes include simplification of task and delivery order procedures, authorization of "on- and off-ramps" enabling addition of and removal of contractors from a multiple-award contract during its ordering period to improve the currency, competitiveness, and innovativeness of the vendor pool, and allowance for blanket purchase agreements ("BPAs") under multiple-award contracts in a manner comparable to BPAs under the Federal Supply Schedules, a change that should reinforce those already made to Part 8 to drive greater use of existing multiple-award government-wide contract vehicles. Ultimately, intact statutory authorities form the backbone of the large amount of

<sup>&</sup>lt;sup>27</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-15

material carried over with little to no change in the model deviation text. These authorities include 10 U.S.C. §§ 3321 et seq and 41 U.S.C. §§ 3901 et seq (Specific Types of Contracts), 10 U.S.C. §§ 3371 et seq (Undefinitized Contractual Actions), 10 U.S.C. §§ 3401 et seq and 41 U.S.C. 4101 §§ et seq (Task and Delivery Order Contracts), 41 U.S.C. § 3302 (Requirements for Purchase of Property and Services Pursuant to Multiple Award Contracts), and Pub. L. 109-364 Section 814 and 41 U.S.C. § 4711 (Linking of Award and Incentive Fees to Acquisition Outcomes).<sup>28</sup>

- Part 17-Special Contracting Methods. Part 17 of the FAR has long gathered under its umbrella five topics, including multi-year contracts, options, leader company contracting, interagency acquisitions, interagency acquisitions, and management and operating contracts, with a sixth topic—reverse auctions having been added in recent years. The model deviation text generally preserves these topics, which have statutory or essential policy bases that require tailored implementation, while also utilizing the streamlining and shortening techniques employed across all of the overhauled FAR parts with elimination of procedural steps, examples, cross-references, scenario-based instructions, and redundancy netting the largest wordcount reductions. Also creating substantial shortening is the deletion of much of subpart 17.4 (Leader Company Contracting) and the moving of the content to the FAR Companion. Overall, the model deviation text achieves a 42.4% reduction in word count. The model text and accompanying practitioner album also cast the special methods as potential "accelerators," i.e., tools that can be flexibly employed by contracting officers to create efficiencies, deliver better value, and serve the government and taxpayers. substantive changes, such as the deletion of FAR 17.204(e)'s limitation of basic contract plus options periods to a total of five years appear likely to have little practical effect, given the remaining statutory and fiscal constraints upon the specialized contracting methods.<sup>29</sup>
- Part 18-Emergency Acquisitions. FAR Part 18 identifies special statutory emergency acquisition flexibilities i.e., for contingency operations, defense or recovery from cyber, nuclear, biological, chemical or radiological attack, emergency declarations under the Stafford Act and humanitarian or peacekeeping operation. For the most part, the coverage of these authorities in Subpart 18.2 is left intact. However, the model deviation text deletes Subpart 18.1, which contained extensive cross references to FAR coverages of other authorities that

<sup>&</sup>lt;sup>28</sup> <u>https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-16</u>

<sup>&</sup>lt;sup>29</sup> <u>https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-17</u>

- are independent of the authorities covered by this part.<sup>30</sup> As a result of these changes, the word count of this part has been reduced by 91%.
- Part 19-Small Business. The model deviation text for Part 19 remains massive—nearly 30,000 words—but also achieves a sizeable 12,458-word reduction, amounting to 29.5% of the original Part 19, through streamlining, consolidation, and reorganization. The changes reflect a nuanced relationship between promoting small business sales to the federal government, a popular and enduring policy goal but one that requires a considerable body of rules to administer, and slashing regulation. As the RFO process seeks to better achieve rather than dislodge the vision of "deliver[ing] on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives[,]" much of Part 19 was perhaps destined to Moreover, continuing statutory authorities and government-wide regulations overseen by the Small Business Administration and the Department of Veterans Affairs make much of the longstanding content of Part 19 resistant to truly radical deregulation. The statutory authorities include 10 U.S.C. § 3203 and 41 U.S.C. § 3303 (Exclusion of Particular Source or Restriction of Solicitation to Small Business Concerns), 15 U.S.C. §§ 631 et seq (Small Business Act), and 41 U.S.C. § 3104 (Small Business Concerns). The continuity of the model deviation text is recognized by the overhaulers, who note that the revision "preserves most substantive requirements while reorganizing them to align with the actual workflow of a contracting professional" and who reaffirm that "it is the Government's policy to provide maximum practicable opportunities in its acquisition to small business . . . . " One significant source of wordcount savings is the elimination of content in the model deviation FAR Part and concomitant reliance on the language of the FAR clauses in FAR Part 52 whereas formerly there was considerable duplication in the FAR Part and implementing clauses.<sup>31</sup>
- Part 20-Reserved in the Current FAR and the RFO.
- Part 21-Reserved in the Current FAR and the RFO.
- Part 22-Application of Labor Laws to Government Acquisitions. Prior to the kick-off of the RFO, the Trump Administration issued EO No. 14173, Ending Illegal Discrimination and Restoring Merit Based Opportunity, revoking EO No. 11246, Equal Employment Opportunity, which mandated non-discrimination and affirmative action for federal contractors. In implementing the executive order, the Civilian Agency Acquisition Council and DoD determined that several FAR provisions promulgated to enforce E.O. 11246 are not consistent with the

<sup>&</sup>lt;sup>30</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-18

<sup>31</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19

direction of the President and issued FAR deviations accordingly. <sup>32</sup> Most notably, the deviations removed and reserved former FAR Subpart 22.8, Equal Employment Opportunity, and related provisions in various FAR solicitation and contract clauses. This promises to significantly reduce administrative burdens of contractors associated with the development and maintenance of their affirmative action plans for their establishments. The RFO adopted these deviations and made a number of other changes to FAR Part 22. Following are highlights of these changes:

- o The RFO text removed and reserved former FAR Subpart 22.11, Professional Employee Compensation, which reflected non-statutory policy that contractors compensate professional employees "fairly and properly."
- The remaining subparts were streamlined and reorganized to track to the acquisition life cycle.
- o The RFO text lowers monetary thresholds for the applicability of a number of labor law requirements to contracts and subcontracts. For example, whereas the current Subpart 22.13, Equal Opportunity for Veterans, applies to solicitations and contracts with an expected value of \$200,000 or more, the overhauled subpart applies to acquisitions valued at \$150,000 or more.
- Extensive coverage of labor standards for construction and service contracts was moved to the FAR Companion Guide.<sup>33</sup>

In connection with these changes, the word count of this part was reduced by 36%. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.

• Part 23- Environment, Sustainable Acquisition, and Material Safety. The RFO changes re-focused the scope of this part on "acquisition policies and procedures for sustainable acquisition, ensuring proper handling and notification of hazardous materials, and preventing pollution." The main substantive change was the removal of requirements related to clean energy and waste reduction, previously driven by the now-revoked Executive Order (E.O.) 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability. In particular, the RFO changes remove section 23.404, Environmental Management Systems Section 23.405, Waste Reduction Program, Subpart 23.5, Greenhouse Gas

<sup>&</sup>lt;sup>32</sup> Civilian Agency Acquisition Council Consultation ("CAAC") Letter No. 2025-01 dated February 15, 2025; Supplement No. 1 to CAAC Letter 2025-02 dated February 18, 2025 at <a href="https://www.acquisition.gov/caac-letters">https://www.acquisition.gov/caac-letters</a>; Memorandum of Undersecretary of Defense for Acquisition and Sustainment (March 4, 2025), *available at* <a href="https://www.acq.osd.mil/dpap/policy/policy/ault/USA000368-25-DPCAP.pdf">https://www.acq.osd.mil/dpap/policy/policy/ault/USA000368-25-DPCAP.pdf</a>

<sup>33</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-22

Emissions. In addition, the changes move coverage of the following topics to the FAR Companion Guide: policy concerning Energy Savings Performance Contracts (former FAR 23.202(b)(c)(d) and general procedures for acquisitions of sustainable products and services (former 23.104(d)).<sup>34</sup> The word count reduction was 61%. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.

- Part 24-Protection of Privacy and Freedom of Information. Part 24 competes with parts 28 (Bonds and Insurance), 45 (Government Property), 49 (Termination of Contracts) and 50 (Extraordinary Contractual Actions and SAFETY Act) for having the least change imposed by the model deviation text. This is not surprising, given that Part 24 implements a well-defined body of statutory law and executive branch policy, including 5 U.S.C. § 552a (Privacy Act of 1974), 5 U.S.C. § 552 (Freedom of Information Act-FOIA), 5 U.S.C. § 574 (Confidentiality), 10 U.S.C. § 3309 and 41 U.S.C. § 4702 (Prohibition on Release of Contractor Proposals), 10 U.S.C. § 3705 and 41 U.S.C. § 3505 (Submission of Other Information), and OMB Circular No. A-130 (Managing Information as a Strategic Resource). Deletions are limited to best practices for processing FOIA requests for awarded contracts, which now are addressed in the FAR Companion, and to section 24.301 (formerly "Privacy Training" now "Reserved"), which is deemed redundant, given that that the content also appears in clause 52.224-3, and which alone netted nearly 2/3 of the wordcount savings achieved. Notably, section 24.302 retains the prescription guidance to include that clause in solicitations and contracts when contractor employees will have access to a system of records, handle personally identifiable information, or design/develop a system of records.<sup>35</sup> Overall, the deviation guidance reduces the length of this short part of the FAR by 35.4%.
- Part 25-Foreign Acquisition. This part of the FAR implements statutory rules applicable to the government's acquisition of end products of foreign countries. According to the summary of changes prepared by the FAR Council, Part 25 "has been updated and reorganized to improve clarity, remove obsolete material, and logically group related content for enhanced usability by acquisition professionals." The RFO text includes three main substantive changes. First, whereas the current FAR does not specify the process that agencies must use to make procurement-specific "non-availability determinations" to support an exception to the Buy American Act's domestic content rules, the RFO text specifies a centralized process. Under this process, contracting officers must

<sup>&</sup>lt;sup>34</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-23

 $<sup>^{35}\ \</sup>underline{\text{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-24}$ 

submit such proposed individual nonavailability waivers for review by the Made in America Office ("MIAO") within OMB, unless an exception applies. The contracting officer must not make an award until he/she has received confirmation that the MIAO has completed its review of the proposed nonavailability waiver determination; MIAO has waived the requirement for a review; or an exception to posting the proposed nonavailability waiver determination applies. Certain information from the proposed nonavailability waiver determination will be available to the public at MadeinAmerica.gov immediately upon posting the proposed waiver and prior to review by MIAO. Second, subpart 25.7, Prohibited Sources, is deleted, along with the associated provisions and clauses, because this content has been moved to FAR part 40. Third, guidance on the evaluation of offers for foreign end products has been moved to the FAR Companion Guide.<sup>36</sup> As a result, the RFO reduces the word count of this part of the FAR by 67%. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.

Part 26-Other Socioeconomic Provisions. This part of the FAR, which implements socioeconomic policies implemented by the acquisition system beyond those policies meriting dedicated treatment in FAR parts 19, 22, 23, and 24, and 25, might seem to be a prime target for the chopping block. This is because "creat[ing] the most agile, effective, and efficient procurement system possible[,]" see E.O. 14275 at section 1, requires emphasis upon the acquisition's primary goal of satisfactorily meeting the government's needs in a timely manner at fair prices and fair terms and conditions. Inherently, collateral socioeconomic policies are directed at something other than that primary goal, making their implementation an obvious source of additional regulation. The model deviation text indeed does make deep wordcount cuts, for instance by moving procedural and other content to the FAR Companion Guide with total length decreased by 51.2%. The text also reorganizes certain content to align with the acquisition lifecycle, as is done for other FAR parts. However, no new legislation nor executive orders have superceded the authorities underpinning part 26, which include 6 U.S.C. § 796 (Registry of Disaster Response Contractors), 25 U.S.C. § 1544 (Additional Compensation to Contractors of Federal Agency), 41 U.S.C. §§ 8101 et seq (Drug Free Workplace), 42 U.S.C. § 1792 (Promoting Federal Food Donation), 42 U.S.C. § 5150 (Use of Local Firms and Individuals), 42 U.S.C. §§ 5121 et seq (Stafford Disaster Relief and Emergency Assistance Act), Pub. L. 114-328 Section 816 (Special Emergency Procurement Authority), Pub. L. 114-328 Section 1641 (Special Emergency Procurement Authority to Facilitate the Defense Against or Recovery from a Cyber Attack), EO 12928 (Promoting

<sup>&</sup>lt;sup>36</sup> <u>https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-25</u>

Procurement with Historically Black Colleges and Universities, and Minority Institutions), EO 13513 (Reducing Text Messaging while Driving). Nor have the policies to encourage utilization of Indian organizations and Indian-owned enterprises as subcontractors with a 5% incentive payment (FAR 26.102-1) and donation of excess wholesome food by contractors (FAR 26.404-1) been altered.<sup>37</sup> Though streamlining, organization, and elimination of redundancy have their own merit, the continuity in legislative and executive branch authorities has meant that the changes to date are thus largely non-substantive.

Part 27-Patents, Data and Copyrights. This part governs intellectual property rights in government contracts. According to the practitioner's album accompanying the RFO changes, "it has been updated with important plain language updates, enhanced clarity, and improved readability." Substantive changes were relatively modest. The FAR Council made no changes to the regulations and clauses implementing the Bayh Dole Act's provisions on patent rights. The Council also made no changes to the language concerning two key data rights clauses – i.e., FAR 52.227-14, Rights in Data – General, or FAR 52.227-20, Rights in Data - SBIR Program. However, the Council did make three major substantive changes. First, the RFO text changed Section 27.405, Other Data Rights Provisions, by fundamentally altering the approach for contracts for "special works" and "existing works." Contracts for special works are contracts "primarily for the production or compilation of data first produced in the performance of the contract" -e.g., the production of audiovisual works, including motion pictures or television recordings with or without accompanying sound. Contracts for existing works are contracts for the acquisition of existing works (without modification), such as motion pictures, television recordings, and other audiovisual works. Whereas prior to the change, the FAR prescribed the use of specific contract clauses to cover the government's rights in these works, after the changes, the FAR simply provides instructions that contracts "must specifically address the Government's rights" and that agencies are "authorized to specially negotiate" terms. Second, the Council made significant changes to Section 27.407, Rights to Technical Data in Successful Proposals. The former text gave the contracting officer authority to use the clause at 52.227-23, Rights to Proposal Data (Technical), which gave the government unlimited rights in technical data contained in proposals for the contract. This clause was removed. The new section consists of a single sentence simply instructing the contracting officer to "negotiate terms defining the Government's license rights in technical data in successful proposals." Third, the Council removed the language permitting the contracting officer to include FAR 52.227-19, Commercial

 $<sup>^{37}\ \</sup>underline{\text{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-26}}$ 

Computer Software Licenses, in contracts. Without a clause to include in contracts, the contracting officers will simply be guided by the longstanding policy that "commercial computer software or commercial computer software documentation must be acquired under licenses customarily provided to the public to the extent the license is consistent with Federal law and otherwise satisfies the Government's needs." As a result of the RFO changes, the word count of this part has been reduced by 38%. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.

- Part 28-Bonds and Insurance. Statutory continuity and the inertia of the bond and insurance markets causes this part to undergo a light touch in the overhaul, with 15 U.S.C. § 694a et seq (Surety Bond Guarantees), 31 U.S.C. §§ 3901 et seq (Prompt Payment), 31 U.S.C. §§ 9301 et seq (Sureties and Surety Bonds), 40 U.S.C. §§ 3131 (Bonds), 42 U.S.C. § 1651 et seq (Defense Base Act), Pub. L. 103-355 Sec 2091 (Government-Wide Application of Payment Protections for Subcontractors and Suppliers, and Pub. L. 114-92 Sec 874 (Surety Bond Requirements and Amount of Guarantee) among the legislative authorities that gave rise to and persist in justifying part 28. Minimal language is revised to make the text more readily understandable, i.e., "shall" to "must." In general, however, the overhaul leaves intact the current methods by which a contracting officer obtains financial protection from contractors against losses under contracts that result from the use of the sealed bid or negotiated methods, including bid guarantees, bonds, alternative payment protections, security for bonds, and insurance. <sup>39</sup> Overall, the wordcount reduction is 8.3%.
- Part 29-Taxes. FAR Part 29 prescribes policies and procedures for using clauses in contracts that allocate the risk of tax increases and assertions of contractor immunity or exemption from taxes based on government immunity or exemption. The practitioner's album accompanying the RFO changes indicates that, since this part is rooted in complex tax statutes and regulations, the primary revision under the RFO was a "plain language rewrite" that made the part "more direct, active, and accessible, resulting in an approximately 20% reduction in word count." The FAR Council also removed certain outdated text pertaining to taxes under contracts in Afghanistan. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.
- Part 30- Cost Accounting Standards Administration. According to the practitioner's album accompanying the RFO changes, "the revision includes a

 $<sup>{\</sup>color{blue}^{38}} \ \underline{\text{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-27}$ 

 $<sup>^{39}\ \</sup>underline{\text{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-28}}$ 

<sup>40</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-29

complete structural reorganization to align with the acquisition lifecycle, enhanced clarity, and a strategic consolidation of policies coupled with the elimination of obsolete requirements." Instructions for contracting officers to support the determination of a contract's exemption from cost accounting standards were moved to the FAR Companion Guide. In addition, the clauses at FAR 52.230-1 through -6 were revised mostly to reflect new cross-references within the part. Finally, the deviation text included the following cross reference to a related rule-making process: "The Cost Accounting Standards Board is currently evaluating the regulatory coverage contained in FAR Part 30 related to cost impacts, including the need for additional clarity of the Board's definition of "increased costs in the aggregate" as required by 41 U.S.C 1503(b) and the handling of cost impacts for unilateral cost accounting practice changes. Coverage on these issues will be removed from the FAR by rulemaking at a later date and addressed instead in CAS by the Board through a separate rulemaking."<sup>41</sup>

Part 31-Contract Cost Principles and Procedures. The RFO website's change summary for part 31 itself acknowledges that the majority of the text is retained "because it supports appropriations law," which in turn is anchored to the appropriations clause of the Constitution (Art. I, Sec. 9, Cl. 7) and codified at Titles 2 and 31 of the U.S. Code, and that most definitions and procedures are retained "to maintain uniformity across the Government." Additionally, statutory sources for part 31 that as yet have been undisturbed by 2025 legislation include many sections of Pub. L. 413, as amended (Armed Service Procurement Act of 1947), 41 U.S.C. Ch. 43 and 10 U.S.C. Ch. 273 (Allowable Costs), 31 U.S.C. Chapter 37, Subch. III (Claims Against the United States Government), 18 U.S.C. § 1031 (Major Fraud Against the United States), and 31 U.S.C. Ch. 11, 31 U.S.C. §§ 503-504, 31 U.S.C. §6307, 31 U.S.C. §§7501-7507 (Statutory Authorities for OMB to issue interpretive guidelines and for the federal government to audit Educational Institutions; State, Local, and Federally Recognized Indian Tribal Governments; and Nonprofit Organizations receiving federal awards). Additionally, still intact as a matter of executive branch policy and regulation are the Uniform Cost Principles at 2 C.F.R. Part 200, for nonprofits on FAR contracts and for non-FAR Contracts and other federal awards, i.e., grants and cooperative agreements, which while never identical to FAR Part 31 have long influenced the latter toward greater uniformity across government, and vice versa. 42 Throughout the model deviation text, ostensibly non-substantive

<sup>41</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-30

<sup>42 &</sup>lt;a href="https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-31">https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-31</a>

- edits were made to increase readability while reducing redundancy,<sup>43</sup> and certain definitions were deleted if unnecessary or already included in the Cost Accounting Standards. Overall, the wordcount reduction achieved is 9.7%.
- Part 32-Contract Financing. This part addresses policies and procedures for contract financing, funding and other payment matters. The changes simplify the part, remove outdated, redundant or otherwise unnecessary information and add a new subpart (and corresponding clause) for fast payment procedures (previously at subpart 13.4) for smaller dollar purchases. In addition, guidance, procedures and best practices were moved to the FAR Companion Guide. The

#### 31.205-16 Gains and losses on disposition or impairment of depreciable property or other capital assets.

- (a) Gains and losses from the sale, retirement, or other disposition (but see 31.205-19) of depreciable property shall be included in the year in which they occur as credits or charges to the cost grouping(s) in which the depreciation or amortization applicable to those assets was included (but see paragraph (f) of this subsection). However, no gain or loss shall be recognized as a result of the transfer of assets in a business combination (see 31.205-52).
- (b) Notwithstanding the provisions in paragraph (c) of this subsection, when costs of depreciable property
  are subject to the sale and leaseback limitations in 31.205-11(h)(1) or 31.205-36(b)(2)—
  - (1) The gain or loss is the difference between the net amount realized and the undepreciated balance of the asset on the date the contractor becomes a lessee; and
  - o (2) When the application of (b)(1) of this subsection results in a loss—
    - (i) The allowable portion of the loss is zero if the fair market value exceeds the undepreciated balance of the asset on the date the contractor becomes a lessee; and
    - (ii) The allowable portion of the loss is limited to the difference between the fair market value and
      the undepreciated balance of the asset on the date the contractor becomes a lessee if the fair market
      value is less than the undepreciated balance of the asset on the date the contractor becomes a lessee.

The strike-thru nets a grand total of nine characters for the FAR shortening effort, but at uncertain cost. This is because FAR 31.205-16 is a sub-section rather than a section, and a reference to "paragraph (f) of this section" can leave the practitioner wondering which of the many paragraph (f)s in section FAR 31.205 is intended. The same is true with references to "paragraph (c) of this section" and "(b)(1) of this section[,]" both of which might point to multiple portions of text. Such ambiguity was prevented with "sub" present in each instance. The overhaulers freed themselves to make such "plain language" edits by also deleting entirely FAR 1.105-2, which efficiently depicted how the FAR's numbering system "permits the discrete identification of every FAR paragraph." Discrete identification enables precise cross-referencing, which is a benefit rather than a curse to contractual interpretations upon which so much can depend for both Government and contractors alike.

<sup>&</sup>lt;sup>43</sup> We write "ostensibly" because edits that appear to be intended only to shorten and simplify nonetheless reduce precision, thereby creating ambiguity and potentially also changing substantive meaning of the regulation. For example, the model deviation text strikes through the prefix "sub" in FAR 31.205-16(a) & (b):

- wordcount reduction was 8%. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.
- Part 33-Disputes and Appeals. The model deviation text acknowledges that Congress has not repealed nor significantly amended in 2025 the statutory roots of part 33. These include 5 U.S.C. §§ 571 et seq (Administrative Dispute Resolution Act), 31 U.S.C. § 1558 (Availability of Funds Following Resolution), 31 U.S.C. §§ 3551 et seg (Protest System), 41 U.S.C. §§ 7101 et seg (Contract Disputes Act). Also intact for the time being is EO 12979 (Agency Procurement Protests). Accordingly, much of part 33 remains the same, albeit with new organizational changes intended to further align the content with the acquisition lifecycle and with significant movement of content out of the FAR and into nonregulatory materials. Sizeable wordcount savings were also achieved by deletion of procedural details covered elsewhere or enforced by adjudicative bodies, such as the Boards of Contract Appeals. Overall, the shrinkage in length is 38.6%. The most notable substantive change is the new purpose statement for the Bid Protest System at FAR 33.100, which sets forth objectives, including to "[e]nsure protests are decided efficiently and without undue delay[,]" and to "deter and discourage abuse of the bid protest process by requiring clear and substantiated allegations of procurement impropriety[,]" and which emphasizes that protests are not "a way for offerors to get post-award explanations, debriefings, or additional insight into the Government's acquisition decision."44
- Part 34-Major System Acquisition. This part of the FAR provides structured guidelines for post award administration pertinent to "major" systems that involve expenditures in excess of certain thresholds. The FAR Council's model RFO deviation text removes FAR Subpart 34.0 on the grounds that it includes "non-statutory, general guidance that is best managed at the Agency level as necessary." It retains the remaining language because it is required by statute. However, in the interest of reducing solicitation processes and requirements, it removes certain solicitation notices that have been required for acquisitions of major systems. See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.
- Part 35, Research and Development Contracting. According to the practitioner's album issued with the RFO text, the changes generally "streamline research and development contracting by removing outdated barriers, redundant content, and adding plain language improvements. This makes the federal R&D environment more attractive to innovative commercial firms." In particular, as

<sup>44</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-33

<sup>45</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-34

with other parts, the FAR Council restructured Part 35 to have a "logical organization in alignment with the acquisition lifecycle, creating clear points of reference." It also moved to the FAR Companion Guide coverage of work statements for research and development contracts and recoupment by the government of government-funded nonrecurring costs from contractors that sell, lease or license the resulting products to buyers other than the federal government.<sup>46</sup> The changes reduced the word count of the part by 48%.

- Part 36, Construction and Architect-Engineer Contracts. As with other parts, while retaining required statutory implementing regulations, the FAR Council streamlined the wording of and restructured FAR Part 36 to align the organization with the acquisition lifecycle. As a result, the word count of the part was reduced by 55%. In addition, the FAR Council made five major substantive changes. First, the Council removed the section titled, "Performance of Work by the Contractor" and the implementing clause at 52.236-1, Performance of Work by the Contract. This requirement mandated that prime contractors perform a specified minimum percentage of the total contract work, ordinarily at least 12%, with their own forces. This requirement was separate from the requirements of the clause at 52.219-14, Limitations of Subcontracting. Second, the RFO changes streamlined the procedures for two-phased design-build selection, previously at subpart 36.303 and now at subpart 36.101-2. Third, new subpart 36.101-5 provides clarified instruction that consideration damages must be evaluated by the contracting officer during acquisition planning. The previous instruction in FAR Part 36 was silent on when this evaluation must be made. Fourth, the requirement that the Government estimate of construction costs is to be prepared and furnished to the contracting officer remains, but the timing is revised from "at the earliest practicable time" to the estimate must be given to the contracting officer "before receipt of proposals." Fifth, the RFO text removes the selection criteria for architect-engineer contracts to provide flexibility for contracting officers in drafting solicitations. <sup>47</sup>
- Part 37-Service Contracting. The shortening of Part 37 achieved in the model deviation text results in part from elimination of repetitive emphasis on the important policy restrictions governing federal procurement of services, which if not regulated can risk displacing accountable public officials and employees with contractor personnel and entrench noncompetitive service providers upon which agencies may tend to become over-reliant. Wordcount reduction is 44.2%. Specific changes include movement of examples of various types of service

<sup>&</sup>lt;sup>46</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-35

<sup>&</sup>lt;sup>47</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-36

contracts, factors that aid in determining whether a contract is for personal services, guidance on inclusion of "continuity of services" and "option to extend services" clauses, and information pertaining to best practices regarding management oversight of service contracts to the FAR Companion. A considerable body of statutory authorities remain intact, ultimately restricting the amount of material that can be eliminated from this part. These authorities include 5 U.S.C. §§ 3101 et seq (Employment Authorities), 10 U.S.C. § 3133 (Severable Services Contracts for Periods Crossing Fiscal Years), 10 U.S.C. § 3744 and 41 U.S.C. § 4304 (Specific Costs not Allowable), 10 U.S.C. § 4507 (Contracts for Professional and Technical Services), 34 U.S.C. § 20351 (Requirement for Background Checks), 40 U.S.C. §§ 3141 et seq (Wage Rate Requirements), 41 U.S.C. § 1709 (Contracting Functions Performed by Federal Personnel), 41 U.S.C. § 4105 (Advisory and Assistance Services), 41 U.S.C. §§ 6701 et seq (Service Contract Labor Standards), and Pub. L. 106-398, Sec 821 (Improvements in Procurements of Services).

- Part 38, Federal Supply Schedule Contracting. As noted in the discussion of changes to FAR Part 8 above, this part of the FAR has been removed and moved to GSAM Part 538 with certain modifications.
- FAR Part 39, Acquisition of Information and Communications Technology. According to the practitioner's album issued with the deviation text, the changes to FAR Part 39 remove "content that is outdated, redundant, or otherwise unnecessary." However, the revised Part 39 retains a focus on the use of "incremental and successive modular contracts when acquiring IT" and continues to reinforce the importance of "commercial solutions that meet Information and Communication Technology (ICT) accessibility standards." See the discussion below concerning associated changes to the FAR Part 52 clauses and provisions.
- Part 40, Information Security and Supply Chain Security. The model deviation text for part 40 is the rare example of increasing rather than decreasing word count. This is consistent with EO 14275, which not only directs elimination of excessive acquisition regulations but also commands that the FAR should contain provisions "necessary to . . . protect economic or national security interests." Also, reflecting Congress's growing concern that contracts and contractors require ever more mature security measures is a large and increasing body of statutes, including 41 U.S.C. §§ 1321 et seq (Federal Acquisition Supply Chain Security Act), 41 U.S.C. § 4713 (Authorities Related to Mitigating Supply Chain Risks in the Procurement of Covered Articles), 44 U.S.C. §§ 3501 et seq

<sup>48</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-37

<sup>&</sup>lt;sup>49</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-39

(Federal Information Policy), Pub. L. 115-91 Section 1634 (Prohibition on Use of Products and Services Developed or Provided by Kaspersky Lab), (Pub. L. 115-232 Section 889 (Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment), Pub. L. 115-232 Section 1758 (Requirements to Identify and Control the Export of Emerging and Foundational Technologies--SECURE Technology Act), Pub. L. 115-390 (Strengthening and Enhancing Cyber-capabilities by Utilizing Risk Exposure Technology Act), Pub. L. 117-328 Div R Section 102 (Prohibition on the Use of TikTok), and Pub. L. 118-31 Section 1823 (Prohibition on Procurement of Covered Unmanned Aircraft Systems from Covered Foreign Entities). Overall, the length of Part 40 increases by 256.4%, though the actual number of additional words is modest in light of Part 40's previous brevity, and though some new content is actually coming from the revised part 4, which has been correspondingly shortened. The major substantive additions are: the inclusion of a new subpart for "Processing Supply Chain Risk Information" at 40.1, which heretofore had been reserved; the addition of seventeen additional security prohibition-related definitions at § 40.201; the inclusion at § 40.202 of prohibitions pertaining TikTok/ByteDance,<sup>50</sup> Kaspersky Lab, Huawei and other Telecommunications and Video Surveillance Equipment, Federal Acquisition Supply Chain Security Act (FASCSA) Orders, Office of Foreign Assets Control (OFAC) Restrictions, Sudan, and Iran (in addition to the previously present prohibition pertaining to foreign-supplied drones); the addition of new sections 40.203 (General Procedures) and 40.204 (Specific Procedures) pertaining to implementation of security measures regarding the §40.202 prohibitions; and the edition of a new subpart 40.3 (Safeguarding Information), which moves to part 40 the overarching policy statements and clause prescriptions that previously had been contained in Part 4 and 53.204-series clauses or left to the Department of Defense and the Defense Counterintelligence and Security Agency.<sup>51</sup>

- Part 41-Acquisition of Utility Services. The RFO retains part 41 with "minor changes to streamline and improve clarity." 52
- Part 42-Contract Administration and Audit Services. Much of the regulatory guidance traditionally contained in Part 42 is well-thumbed by practitioners, as

<sup>&</sup>lt;sup>50</sup> The model deviation text for Part 40 was published prior to the September 25, 2025 executive order purporting to enable an American-led group of investors to purchase TikTok from China's ByteDance, an agreement that has not been finalized. Whether and how this new development may affect the TikTok prohibition in the FAR is left to future updates.

<sup>&</sup>lt;sup>51</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-40

<sup>&</sup>lt;sup>52</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-41

the acquisition workforce and contractors alike rely upon the details of how contracts are administered and audited, how indirect cost rates are settled upon, what happens when costs are disallowed, how production is surveiled and reported upon, how the government approves novation and corporate name changes, how the government suspends/stops/delays work, how contractor performance is officially assessed and recorded, whether and how small business contract administration is different, and how forward pricing agreements are made. Accordingly, these topics remain covered in the model deviation text. However, a wordcount reduction of 20.9% is achieved through so-called "streamlining," which upon examination of the "line out" document provided by the overhaulers often amounts to removal of nondirective sentences such as "The Defense Contract Management Agency and other agencies offer a wide variety of contract administration and support services[,]" and through movement of best practice information to the FAR Companion. Among the more important substantive changes made is the removal in section 42.1101 of language limiting past performance information to future "source selection" purposes, opening the door to use of performance evaluation information, starting April 1, 2026 and after, during any part of the acquisition lifecycle. A large number of statutory authorities that remain intact accounts for the continuity of substance in this part.53

- Part 43, Contract Modifications. According to the practitioner's album issued with the deviation text, while the contract modification procedures in this part of the FAR are non-statutory, their retention is necessary "to support uniformity across the government." However, while retaining the "overall content" of the part, the FAR Council made some streamlining changes, especially concerning the process for documenting and definitizing change orders. <sup>54</sup>
- Part 44, Subcontracting Policies and Procedures. The deep cuts resulting in a 53.7% wordcount reduction in the model deviation text are those made to subsections 44.201-1 Consent Requirements and 44.202-2 Considerations, as well as to Contractor Purchasing System Reviews (CPSR) sections 44.303 Extent of Review and 44.307 Reports, all of which are now to appear in the FAR Companion. Basic implementation of 10 U.S.C. § 3322(c) and 41 U.S.C. § 3905(c) (Advance Notice on Certain Subcontracts) and 41 U.S.C. § 3307 (Preference for Commercial Products and Commercial Services) are achieved in the provisions of this part that are preserved, with the stated goals of the changes

<sup>53</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-42

<sup>&</sup>lt;sup>54</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-43

being, according to the Change Summary in the Practitioner Album, "to create a more agile, risk-based, and efficient system that empowers contracting officers, reduces administrative burdens on contractors, and encourages broader participation from the commercial sector.<sup>55</sup>

- Part 45, Government Property. This part of the FAR prescribes policies and procedures governing contractors' use of government property in the performance of contracts. The RFO text retains the existing FAR text with minimal deletions and minor updates made for plain language. No changes were made to provisions or clauses.
- Part 46, Quality Assurance. Despite the relatively few statutory anchors for part 46—e.g., 41 U.S.C. § 1711 (Value Engineering), 41 U.S.C. § 3307 (Preference for Commercial Products and Commercial Services), Pub. L. 103-355 (Federal Acquisition Streamlining Act of 1994), and Pub. L. 112-81, Sec. 818 (Detection and Avoidance of Counterfeit Electronic Parts)—most of the part is untouched by the model deviation text, which validates the importance of traditional inspection, acceptance, warranty, and other measures to ensure supplies and services conform to contract quality and quantity requirements. An 11.7% wordcount reduction is achieved through deletion of section 46.105 Contractor Responsibilities and 46.202-3 Standard Inspection Requirements as redundant with Part 46-series clauses, and deletion of section 46.408 Single-Agency Assignments of Government Contract Quality Assurance and section 46.704 Authority for Use of Warranties as unnecessary.<sup>57</sup>
- Part 47, Transportation. Statutory authorities having to do with federal procurement of transportation services and remaining intact include 10 U.S.C. § 2631 (Preference for United States Vessels in Transporting Supplies by Sea), 22 U.S.C. § 2353 (Shipping on United States Vessels), 46 U.S.C. § 55305 (Cargoes Procured, Furnished, or Financed by the United States Government), 49 U.S.C. § 10721 and § 13712 (Interstate Commerce Act), and 49 U.S.C. § 40118 (Government-Financed Air Transportation). Still, the model deviation text achieves a hefty 39% wordcount reduction. This is the result of removal of procedural details, referencing to material contained elsewhere (such as details on where and how to send paid freight bills to the General Services Administration for audit, which appear at 41 CFR part 102-118), and other streamlining techniques.<sup>58</sup>

<sup>55</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-44

 $<sup>^{56}\ \</sup>underline{https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-45}$ 

<sup>&</sup>lt;sup>57</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-46

<sup>&</sup>lt;sup>58</sup> <u>https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-47</u>

- Part 48, Value Engineering. The model deviation text achieves a 68.7% reduction without much substantive revision and while continuing to implement the two principal statutory and government-wide policy authorities of 41 U.S.C. § 1711 (Value Engineering) and OMB Circular A-131 (Value Engineering). Three definitions already covered in the part 48-series clauses in part 52 were deleted from part 48 itself as redundant. Provisions covering the two different types of value engineering approaches, section 48.101(b), and processing value engineering change proposals, section 48.103, will now be covered in the FAR Companion Guide, as will the content in former sections 48.102(e), calculating profit or fees for value engineering change proposal savings and 48.104, sharing arrangements. Section 48.000, scope of part, is deleted altogether as "not add[ing] value." <sup>59</sup>
- Part 49, Termination, Termination of Contracts. The relatively light wordcount reduction of 12.8% in the model deviation text attests perhaps to the overhaulers reluctance to tinker with a part of the FAR that is so heavily litigated. Sections 49.108-7, Government Assistance in Settling Subcontracts, 49.113, Cost Principles, and 49.405, Completion by Another Contractor, were rare exceptions that were wholly deleted from the part, with explanation that they will appear in the FAR Companion Guide. Other edits intended to "enhance readability," even if some lessening of clarity occurs thereby, will have minimal effect in light of the retention of all Part 49-series clauses without any changes to the text.<sup>60</sup>
- Part 50, Extraordinary Contractual Actions and the Safety Act. Since this part of the FAR 50 is primarily based in extraordinary national defense related statutes or procedures that are considered essential for sound procurement, the overhaul focused on plain language rewrites and removing outdated or unclear text. All subparts, sections, provisions and clauses are retained.<sup>61</sup>
- Part 51, Use of Government Sources by Contractors. As noted in the discussion of changes to FAR Part 8 above, this part of the FAR has been removed and moved to FAR Part 8 with certain modifications.
- Part 52-Solicitation Provisions and Contract Clauses. 62
  Changes from Revisions to FAR Part 3, Improper Business Practices and Personal Conflicts of Interest

<sup>&</sup>lt;sup>59</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-48

<sup>60</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-49

<sup>61</sup> https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-50

<sup>&</sup>lt;sup>62</sup> Unless otherwise noted, these changes are collected <a href="https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-52">https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-52</a>.

- o In connection with the changes to FAR Part 3 discussed above, the RFO text deleted the following outdated clause:
  - 52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009.

#### Changes from the Deregulation of FAR Part 4, Administrative Matters

- o In connection with the changes to FAR Part 4 discussed above, the model deviation text removed the following FAR provisions and clauses:
  - 52.204-1 Approval of Contract.
  - 52.204-2 Security Requirements.
  - 52.204-3 Taxpayer Identification.
  - 52.204-6 Unique Entity Identifier
  - 52.204-8 Annual Representations and Certifications.
  - 52.204-12 Unique Entity Identifier Maintenance
  - 52.204-16 Commercial and Government Entity Code Reporting.
  - 52.204-17 Ownership or Control of Offeror.
  - 52.204-18 Commercial and Government Entity Code Maintenance.
  - 52.204-20 Predecessor of Offeror.
  - 52.204-21 Basic Safeguarding of Covered Contractor Information Systems.
  - 52.204-22 Alternative Line Item Proposal.
  - 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities.
  - 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment.
  - 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.
  - 52.204-26 Covered Telecommunications Equipment or Services-Representation.
  - 52.204-27 Prohibition on a ByteDance Covered Application.
  - 52.204-28 Federal Acquisition Supply Chain Security Act Orders—Federal Supply Schedules, Governmentwide Acquisition Contracts, and Multi-Agency Contracts.
  - 52.204-29 Federal Acquisition Supply Chain Security Act Orders— Representation and Disclosures.
  - 52.204-30 Federal Acquisition Supply Chain Security Act Orders—Prohibition.

- The model deviation text consolidated those removed clauses pertaining to contractor registration and identification into two clauses: an updated FAR 52.204-7, SAM Management – Registration and new FAR 52.204-90, Offeror Identification.
- As noted above, the contents of deleted provisions and clauses pertaining to information security have been moved to new provisions required by FAR Part 40.

#### Changes from Deregulation of FAR Part 7, Acquisition Planning

- o In connection with the changes to FAR Part 7 discussed above, the model deviation text removes the following FAR provisions and clauses:
  - 52.207-1, Notice of Standard Competition
  - 52.207-2, Notice of Streamlined Competition
  - 52.207-3, Right of First Refusal of Employment

## <u>Changes from Deregulation of FAR Part 8, Required Sources of Supplies and Services</u>

- o In connection with the changes to FAR Part 8 discussed above, the model deviation text removes the following FAR provisions and clauses:
  - 52.208-4, Vehicle Lease Payments
  - 52.208-5, Condition of Leased Vehicles
  - 52.208-6 Marking of Leased Vehicles.
  - 52.208-7 Tagging of Leased Vehicles.
- o The deviation added the following clauses:
  - 52.208-10, Government Supply Sources
  - 52.208-11, GSA Fleet Vehicles and Related Services

### Changes from Deregulation of FAR Part 11, Describing Agency Needs

- o In connection with the changes to FAR Part 11 discussed above, the model deviation text removes the following FAR provisions and clauses:
  - 52.211-1, Availability of Specifications Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR Part 101-29
  - 52.211-2, Availability of Defense Specifications, Standards, and Data Item Descriptions in the Acquisition Streamlining and Standardization Information System (ASSIST) website
  - 52.211-3, Availability of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions
  - 52.211-4, Availability for Examination of Specifications Not Listed in the GSA Index of Federal Specifications, Standards and Commercial Item Descriptions.
  - 52.211-6, Brand Name or Equal

- 52.211-7, Alternatives to Government-Unique Standards
- 52.211-8, Time of Delivery
- 52.211-9, Desired and Required Time of Delivery
- 52.211-10, Commencement, Prosecution, and Completion of Work
- 52.211-16, Variation in Quantity.
- 52.211-17, Delivery of Excess Quantities
- 52.211-18, Variation in Estimated Quantity
- The model deviation text also makes streamlining revisions to FAR 52.211-5 Material Requirements.

# Changes from the Reengineering of FAR Part 12, Acquisition of Commercial Items

- o In connection with the changes to FAR Part 12 discussed above, the model deviation text removes the following FAR provisions and clauses:
  - 52.212-3 Offeror Representations and Certifications—Commercial Products and Commercial Services (now addressed by revised FAR Part 4)
  - 52.212-5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Products and Commercial Services (new text in FAR Part 12 includes the pertinent clause prescriptions).

# Changes from the Deregulation of FAR Part 13, Simplified Procedures for Noncommercial Acquisitions

- o In connection with the changes to Part 13 discussed above, the model deviation text removes the following FAR clauses:
- 52.213-1 Fast Payment Procedure
  - 52.213-2 Invoices.
  - 52.213-3 Notice to Supplier
- o In addition, the text significantly streamlines the following FAR clause:
  - 52.213-4 Terms and Conditions-Simplified Acquisitions (Noncommercial).

### Changes from Revisions to FAR Part 14, Sealed Bidding

- o In connection with the changes to FAR Part 14 discussed above, the model deviation text updates and makes conforming changes to the following:
  - 52.214-3, Amendments to Invitations for Bids
  - 52.214-5, Submission of Bids
  - 52.214-7, Late submissions, modifications, and withdrawals of bids
  - 52.214-23, Late submissions modifications, revisions, and withdrawals of technical proposals under two-step sealed bidding
  - 52.214-25, Step Two of Two-Step Sealed Bidding
  - 52.214-26, Audit and Records—Sealed Bidding

- 52.214-28, Subcontractor Certified Cost or Pricing Data— Modifications—Sealed Bidding
- o The remaining 52.214-series provisions/clauses are unchanged, and 52.214-8, -9, -11, -13, -17, -30, -32, and -33 remain reserved.

#### Changes from Revisions to FAR Part 15, Contracting by Negotiation

- o In connection with the changes to FAR Part 15 discussed above, the model deviation text updates the following clauses to reflect current cross-references:
  - 52.215-3, Request for Information or Solicitation for Planning Purposes
  - 52.215-5, Facsimile Proposals.

#### Changes from Revisions to FAR Part 16, Types of Contracts

- o In connection with the changes to FAR Part 16 discussed above, the model deviation text updates and makes conforming changes to the following:
  - 52.216-1, Type of Contract
  - 52.216-7, Allowable Cost and Payment
  - 52.216-21, Requirements
  - 52.216-22, Indefinite Quantity
- o The remaining 52.216-series provisions/clauses are unchanged.

#### Changes from Deregulation of FAR Part 17, Special Contracting Methods

- o In connection with the changes to FAR Part 17 discussed above, the model deviation text updates the following clauses to reflect current cross-references:
  - 52.217-4, Evaluation of Options Exercised at Time of Contract Award
  - 52.217-5, Evaluation of Options
- o All clauses and provisions, however, are retained.

#### Changes from Revisions to FAR Part 19, Small Business

- o In connection with the changes to FAR Part 19 discussed above, the model deviation text updates and makes conforming changes to the following:
  - 52.219-1, Small Business Program Representations.
  - 52.219-2, Equal Low Bids.
  - 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award.
  - 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns.
  - 52.219-6, Notice of Small Business Set-Aside
  - 52.219-8, Utilization of Small Business Concerns.
  - 52.219-9, Small Business Subcontracting Plan.
  - 52-219-10, Incentive Subcontracting Program
  - 52.219-14, Limitations on Subcontracting.
  - 52.219-16, Liquidated Damages-Subcontracting Plan.

- 52.219-27, Notice of Set-Aside for, or Sole-Source Award to, Service-Disabled Veteran-Owned Small Business (SDVOSB) Concerns Eligible Under the SDVOSB Program.
- 52.219-28, Postaward Small Business Program Rerepresentation.
- 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-Owned Small Business Concerns.
- 52.219-30, Notice of Set-Aside for, or Sole-Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program.
- 52.219-33, Nonmanufacturer Rule

The remaining 52.219-series provisions/clauses are unchanged.

<u>Changes from the Deregulation of FAR Part 22, Application of Labor Laws to</u> Government Acquisitions<sup>63</sup>

- o In connection with the changes discussed above, the following clauses and provisions were removed from the FAR:
  - o 52.222-16, Approval of Wage Rates
  - o 52.222-21, Prohibition of Segregated Facilities
  - o 52.222-22, Previous Contracts and Compliance Reports
  - 52.222-23, Notice of Requirement for Affirmative Action To Ensure Equal Employment Opportunity for Construction
  - o 52.222-24, Pre-award On-Site Equal Opportunity Compliance Evaluation
  - o 52.222-25, Affirmative Action Compliance
  - o 52.222-26, Equal Opportunity.
  - o 52.222-27, Affirmative Action Compliance Requirements for Construction
  - o 52.222-29, Notification of Visa Denial
  - o 52.222-38, Compliance with Veterans' Employment Reporting Requirements
  - o 52.222.46, Evaluation of Compensation for Professional Employees.
- The following provisions and clauses were updated for clarity, to mirror updates made throughout the part, and/or to update cross-references or remove outdated content:
  - 52.222-4 (Clause), Contract Work Hours and Safety Standards—Overtime Compensation
  - 52.222-6 (Clause), Construction Wage Rate Requirements

<sup>&</sup>lt;sup>63</sup> Civilian Agency Acquisition Council Consultation ("CAAC") Letter No. 2025-01 dated February 15, 2025; Supplement No. 1 to CAAC Letter 2025-02 dated February 18, 2025 at <a href="https://www.acquisition.gov/caac-letters">https://www.acquisition.gov/caac-letters</a>; Memorandum of Undersecretary of Defense for Acquisition and Sustainment dated March 4, 2025 at <a href="https://www.acq.osd.mil/dpap/policy/policy/ault/USA000368-25-DPCAP.pdf">https://www.acq.osd.mil/dpap/policy/policy/ault/USA000368-25-DPCAP.pdf</a>.

- 52.222-11 (Clause), Subcontracts (Labor Standards)
- 52.222-19 (Clause), Child Labor—Cooperation with Authorities and Remedies
- 52.222-20 (Clause), Contracts for Materials, Supplies, Articles, and Equipment
- 52.222-35 (Clause), Equal Opportunity for Veterans
- 52.222-36 (Clause), Equal Opportunity for Workers with Disabilities
- 52.222-37 (Clause), Employment Reports on Veterans
- 52.222-48 (Provision), Exemption From Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Certification
- 52.222-52 (Provision), Exemption From Application of the Service Contract Labor Standards to Contracts for Certain Services—Certification
- 52.222-53 (Clause), Exemption From Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements
- 52.222-54 (Clause), Employment Eligibility Verification.

# <u>Changes from Removal of Green New Deal Requirements in FAR Part 23, Environment, Energy and Water Efficiency and Other Topics</u><sup>64</sup>

- As a result of the changes to FAR Part 23 discussed above, the following are now removed from the FAR:
  - 52.223-10, Waste Reduction Program
  - 52.223-19, Compliance with Environmental Management Systems.
  - 52.223-20, Aerosols
  - 52.223-21, Foams
  - 52.223-22, Public Disclosure of Greenhouse Gas Emissions and Reduction Goals—Representation.

#### Changes from Deregulation of FAR Part 25, Foreign Acquisition

- o In connection with the changes to FAR Part 25 discussed above, the following clause and provisions were removed from Part 25 and the content was moved to FAR Part 40 and its associated clauses and provisions:
  - 52.225-13 (Clause), Restrictions on Certain Foreign Purchases
  - 52.225-20 (Provision), Prohibition on Conducting Restricted Business Operations in Sudan—Certification

<sup>&</sup>lt;sup>64</sup> CAAC Letter No. 2025-02 dated February 15, 2025; Supplement No. 1 to CAAC Letter 2025-02 dated February 18, 2025 at <a href="https://www.acquisition.gov/caac-letters">https://www.acquisition.gov/caac-letters</a>. Memorandum of Undersecretary of Defense for Acquisition and Sustainment dated March 7, 2025 at <a href="https://www.acq.osd.mil/dpap/policy/policy/ault/USA000392-2">https://www.acq.osd.mil/dpap/policy/policy/ault/USA000392-2</a>.

• 52.225-25 (Provision), Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications.

In addition, FAR 52.225-1,-3, -4, -9, -11 and -21 to -24 were updated.

#### Changes from Deregulation of FAR Part 26, Other Socioeconomic Provisions

- As a result of the changes to FAR Part 26 discussed above, the following clauses are updated:
  - 52.226-1 Utilization of Indian Organizations and Indian-Owned Economic Enterprises.
  - 52.226-6 Promoting Excess Food Donation to Nonprofit Organizations
- o No clauses are deleted.

#### Changes from Deregulation of FAR Part 27, Patents, Data, and Copyrights

- o In connection with the changes to FAR Part 27 discussed above, the RFO changes removed the following FAR provisions and clauses:
  - 52.227-7 Patents-Notice of Government Licensee
  - 52.227-18 Rights in Data-Existing Works
  - 52.227-19 Commercial Computer Software License
  - 52.227-23 Rights to Proposal Data (Technical).

#### Changes from Deregulation of FAR Part 29, Taxes

- o In connection with the changes to FAR Part 29 discussed above, the RFO text removes the following provisions/clauses:
  - FAR 52.229-13, Taxes-Foreign Contracts in Afghanistan
  - FAR 52.229-14, Taxes-Foreign Contracts in Afghanistan (NATO Status of Forces Agreements)

### Changes to FAR Part 32, Contract Financing

- As a result of the changes to FAR Part 32 discussed above, the following clauses are amended:
  - 52.232-3, Payments Under Personal Services Contracts
  - 52.232-12, Advance Payments
  - Including "Advance Payments Without Special Account"
  - 52.232-16, Progress Payments
  - 52.232-20, Limitation of Cost
  - 52.232-22, Limitation of Funds
  - 52.232-36, Payment by Third Party.
- o The following clause is added to the part:
  - 52.232-90 (Clause), Fast Payment Procedures (previously at 52.213-1.

### Changes from Deregulation of FAR Part 33, Protests, Disputes, and Appeals

• As a result of the changes to FAR Part 33 discussed above, the following clauses are amended with streamlining and so-called plain language updates:

- 52.233-1 Disputes, which is also revised to include a description of defective certification means
- 52.233-2 Service of Protest, which is also revised to require protests to be shared with the contracting office within one day of filing with the GAO
- 52.233-3 Protest After Award, which is also revised to describe steps for protests post award, such as stop work orders.
- 52.233-4 Applicable Law for Breach of Contract Claim
- No clauses are deleted altogether

### Changes from Deregulation of FAR Part 34, Major Systems Acquisitions

- o In connection with the changes to FAR Part 34 discussed above, the deviation text removes the following solicitation provisions:
  - 52.234-2, Notice of Earned Value Management System-Preaward Integrated Baseline Review
  - 52.234-3, Notice of Earned Value Management System-Post Award Postaward Integrated Baseline Review

### <u>Changes from Deregulation of FAR Part 36, Construction and Architect-Engineer</u> Contracts

- o In connection with the changes to FAR Part 36 discussed above, the deviation text removes the following solicitation/contract provisions/clauses:
  - 52.236-1, Performance of Work by the Contractor
  - 52.236-4 Physical Data
  - 52.236-19 Organization and Direction of the Work
  - 52.236-26 Preconstruction Conference
  - 52.236-27 Site Visit (Construction)
  - 52.236-28 Preparation of Proposals-Construction
- According to the FAR Council, the other clauses were retained with plain language adjustments.

## Changes from Revisions to FAR Part 37, Service Contracting

- o In connection with the changes to FAR Part 37 discussed above, the model deviation text updates and makes conforming changes to the following:
  - 52.237-7, Indemnification and Medical Liability Insurance
  - 52.237-8, Restriction on Severance Payments to Foreign Nationals
  - 52.237-9, Waiver of Limitation on Severance Payments to Foreign Nationals

The remaining 52.237-series provisions/clauses are unchanged.

# <u>Changes from Deregulation of FAR Part 39, Acquisition of Information and Communications Technology</u>

- o In connection with the changes to FAR Part 39 discussed above, the deviation text removes the following contract clause:
  - 52.239-1, Privacy or Security Safeguards

# <u>Changes from Modification of FAR Part 40, Information Security and Supply Chain Security</u>

- o In connection with the changes to FAR Part 40 discussed above, the following clauses are merged into a new clause entitled, "52.240-90, Security Prohibitions and Exclusions Representations and Certifications":
  - 52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment
  - 52.204-26, Covered Telecommunications Equipment or Services— Representation
  - 52.204-29, Federal Acquisition Supply Chain Security Act Orders— Representation and Diclosures
  - 52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan—Certification
  - 52.225-25, Prohibition on Contracting With Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications
- The following seven clauses are merged into a single new clause entitled, "52.240-91, Security Prohibitions and Exclusions":
  - 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities
  - 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
  - 52.204-27, Prohibition on a ByteDance Covered Application
  - 52.204-28, Federal Acquisition Supply Chain Security Act Orders—Federal Supply Schedules, Governmentwide Acquisition Contracts and Multi-Agency Contracts
  - 52.204-30, Federal Acquisition Supply Chain Security Act Orders— Prohibition
  - 52.225-13, Restrictions on Certain Foreign Purchases
  - 52.240-1, Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act-Covered Foreign Entities.
- o Clause 52.240-91, Security Requirements replaces 52.204-2, Security Requirements.
- Clause 52.240-93, Basic Safeguarding of Covered Contractor Information Systems replaces 52.204-21, Basic Safeguarding of Covered Contractor Information Systems.
- All of the foregoing are essentially housekeeping and renumbering.

#### <u>Changes from Revisions to FAR Part 42, Contract Administration and Audit</u> Services

- o In connection with the changes to FAR Part 42 discussed above, the model deviation text updates and makes conforming changes to the following:
  - Clause 52.242-3, Penalties for Unallowable Costs, which has been updated to align cross-references

The remaining 52.242-series provisions/clauses are unchanged.

## <u>Changes from Deregulation of FAR Part 44, Subcontracting Policies and Procedures</u>

- As a result of the changes to Part 44 discussed above, 52.244-6, Subcontracts for Commercial Products and Commercial Services is streamlined to align with other changes and references resulting from the overhaul.
- o The other part 44-series clauses are retained without changes to text.

#### Changes from Revisions to FAR Part 47, Transportation

- o In connection with the changes to FAR Part 47 discussed above, the model deviation text updates and makes conforming changes to the following:
  - 52.247-52, Clearance and Documentation Requirements—Shipments to DOD Air or Water Terminal Transshipment Points
- 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels The remaining 52.247-series provisions/clauses are unchanged.

#### Deletions from Removal of FAR Part 51

- o In connection with the removal of FAR Part 51, the deviation text removes the following contract clauses:
  - FAR 52.251-1, Government Supply Sources
  - FAR 52.251-2, Interagency Fleet Management System Vehicles and Related Services.

#### Part 53-Forms

According to the practitioner's album issued with the RFO text, *FAR part 53, Forms*, has been "streamlined and modernized, shifting from static, self-contained text to a dynamic system that points to a live, authoritative resource." That resource is named the Acquisition-Related Forms Repository and is at <a href="https://www.acquisition.gov/FARforms">https://www.acquisition.gov/FARforms</a>. As a result of this change, there is now one central website where agencies update, add or remove forms without going through the formal rulemaking process to change the FAR. This will also greatly facilitate contractor submissions that require use of standard forms. In connection with these changes, the Council also revised a cross reference in FAR 52.253-1, Computer Generated Forms.

The foregoing reflections were prepared for the general information of clients and other friends of The Mark Martins Law Office, PLLC. They are not meant as legal advice with respect to any specific matter and should not be acted upon without counsel from an attorney. If you have any questions or require any further information regarding these or other related matters, please contact us. This material is considered Attorney Advertising.