CLASS DEVIATION
FINDINGS AND DETERMINATION
FEDERAL ACQUISITION REGULATION (FAR) PART 48 – VALUE ENGINEERING

Findings

1. The objective of this class deviation is to implement the Federal Acquisition Regulatory Council's model deviation text to the Federal Acquisition Regulation (FAR) Part 48 – Value Engineering, and applicable sections of FAR Part 52 – Solicitation Provisions and Contract Clauses.

2. On April 15, 2025, President Donald J. Trump issued Executive Order (E.O.) 14275, *Restoring Common Sense to Federal Procurement*. Section 2 of the E.O. established the policy that the FAR "should only contain provisions required by statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed."

3. On May 2, 2025, the Office of Management and Budget (OMB) issued memorandum M-25-26, *Overhauling the Federal Acquisition Regulation*, initiating a major overhaul of the FAR (Revolutionary FAR Overhaul, or "RFO"), in coordination with the other members of the Federal Acquisition Regulatory Council – i.e., the General Services Administration (GSA), the Department of Defense (DOD), and the National Aeronautics and Space Administration (NASA) and federal buying agencies. The goal is refocusing the FAR on its statutory roots. To that end, the FAR is being updated to:

   - Eliminate non-statutory language
   - Remove redundant or obsolete language
   - Enhance clarity through plain language
   - Align with the new FAR framework
   - Preserve essential governmentwide acquisition standards

   The OMB memorandum M-25-26 established a two phased approach to implementing enterprise deregulation as follows: Phase one, FAR Council deviation guidance, and phase two, formal rulemaking. Phase one involves the FAR Council issuing guidance on a rolling basis with clear, plain language model deviation text organized by FAR part. The goal is streamlining the regulation by aligning it more closely to its statutory base. According to the memorandum, agencies should adopt this model deviation text within 30 days by issuing individual or class deviations.

4. On May 2, 2025, the FAR Council issued further implementing guidance in a memorandum titled *Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation*. Pursuant to the FAR Council's memorandum, "agencies that adopt the Council's RFO class deviation text without change, or require different text only to address statutory direction unique to the agency, do not need to coordinate with the Council."

5. On August 28, 2025, the FAR Council issued model deviation text for RFO FAR Part 48 – Value Engineering and the corresponding clauses at FAR Part 52 – Solicitation Provisions and Contract Clauses. RFO FAR Part 48 has been updated to be more direct, active, and accessible. The model deviation text removes nearly 3,000 words (70%) from the current language. Statutory requirements retained in the RFO FAR Part 48 model deviation include, but are not limited to, the following:

   - 41 U.S.C. § 1711, Value Engineering

   Other key changes include, but are not limited to, the following:

   Retained:
   - Sections 48.101, "General", and 48.102, "Policies", are retained and significantly streamlined.
   - Prescriptive information previously covered within section 48.104, "Sharing arrangements" is retained in the following clauses:
     - 52.248-1 covers information previously at 48.104-1, "Determining sharing period"
     - 52.248-1(f) and (g) covers information previously at 48.104-2, "Sharing acquisition savings"
     - 52.248-1(j) covers information previously at 48.104-3, "Sharing collateral savings"
     - 52.248-1(i)(5) covers information previously at 48.104-4, "Sharing alternative-no-cost settlement method"
   - Prescriptive information previously covered in section 48.105, "Relationship to other incentives" is retained in clause 52.248-1(k).
   - All clauses are retained with no changes to the text.
     - 52.248-1 Value Engineering
     - 52.248-2 Value Engineering—Architect-Engineer
     - 52.248-3 Value Engineering—Construction

   Removed:
   - Section 48.000, "Scope of Part" is removed as the content is self-evident and did not add value.
   - The following terms are removed from section 48.001, "Definitions" as they were duplicative of definitions in clause 52.248-1, Value Engineering:
     - Government costs
     - Negative instant contract savings
     - Net acquisition savings
   - Information in section 48.102(f) on calculating profit or fees for value engineering change proposal savings will be covered in the FAR Companion Guide.
   - Section 48.103, "Processing value engineering change proposals" is removed because required information is covered in the clauses at 52.248-1 and 52.248-3. Additional information on implementing approaches and principles will be covered in the FAR Companion Guide.

- Information within section 48.104, on establishing sharing periods and rates will be covered in the FAR Companion Guide.

Determination

In accordance with FAR 1.304 *Class deviations* and Department of Energy Acquisition Regulation (DEAR) 901.404 *Class deviations*, to fully comply with the requirement of E.O. 14275 and the revised FAR Part 48, it is hereby determined that a class deviation is appropriate pursuant to OMB memorandum M-25-26 (Attachment 1) and the FAR Council memorandum (Attachment 2) issued on May 2, 2025, using the RFO model deviation text for Part 48 and the applicable sections of Part 52 (Attachment 3). Specifically, DOE/NNSA will follow the RFO model deviation text for Part 48 in lieu of 48 Code of Federal Regulations (CFR) Part 48, and the RFO model deviation text for the applicable sections of Part 52 in lieu of the corresponding applicable sections of 48 CFR Part 52.248-1, 52.248-2, and 52.248-3. Once approved, the Department will share the deviation widely among its workforce to ensure full awareness of and compliance with the revisions to the affected regulations. This class deviation is effective November 3, 2025, and will remain effective until cancelled or incorporated into the FAR.

Janella Davis Digitally signed by Janella Davis Date: 2025.09.26 16:44:08 -04'00'

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Attachments:
OMB Memorandum M-25-26, *Overhauling the Federal Acquisition Regulation*
FAR Council Memorandum, *Deviation Guidance to Support the Overhaul of the Federal Acquisition Regulation*
RFO Parts 48 and 52 Model Deviation Text