



FAR CLASS DEVIATION 2025-06

MEMORANDUM TO: Heads of the Contracting Activities (HCAs)

FROM: Jennifer D. Johnson Anthony S. Kram
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Office of Acquisitions (OA)
Office of Assistant Secretary for Financial Resources (ASFR)
Department of Health and Human Services (HHS)

SUBJECT: Federal Acquisition Regulation (FAR) Class Deviation (CD) No. 2025-06 in Support of Executive Order (EO) 14275, "Restoring Common Sense to Federal Procurement;" Deviation to FAR Parts 29, 31 and Applicable Portions of 52.

1. EFFECTIVE DATE:

Immediately upon signature.

2. EXPIRATION DATE:

This CD remains in effect until the changes described herein are incorporated in the FAR, superseded, or otherwise rescinded.

3. PURPOSE:

This FAR CD implements requirements to comply with [EO 14275, Restoring Common Sense to Federal Procurement](#), for the purposes of implementing the Federal Acquisition Regulatory Council's changes to FAR parts 29, 31, and applicable portions of part 52. It also incorporates and adopts the FAR Council's model deviation text to the affected FAR parts.

4. APPLICABILITY:

The requirements in this CD apply to all HHS Operating Divisions and Staff Divisions (OpDiv/StaffDiv) for applicable solicitations, contracts, and orders.

5. ROLES AND RESPONSIBILITIES:

Heads of the Contracting Activities (HCAs) must ensure this CD is disseminated to the acquisition workforce and ensure compliance with the requirements in the CD. Additionally, HCAs must review and update any applicable internal procedures and guidance to reflect the policies and guidance contained herein.

6. BACKGROUND:

On April 15, 2025, EO 14275, *Restoring Common Sense to Federal Procurement*, was signed. Section 2 of the EO establishes 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.”

The FAR is being updated to:

- Remove language that is not required by statute
- Remove duplicative or outdated language
- Clarify or provide more plain language
- Revise language for the new FAR framework
- Retain language necessary for governmentwide acquisition standards.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

On July 17, 2025, the FAR Council issued the RFO model deviation text for FAR parts 29, 31, and applicable portions of part 52.

7. POLICY/GUIDANCE:

Effective immediately, HHS contracting staff must comply with the following:

- A. Follow the RFO FAR parts 29 and 31 deviation text, including the corresponding part 52 model deviation text, instead of FAR parts 29 and 31 as codified at 48 CFR Chapter 1. The Council’s RFO model deviation texts are available in the [FAR Overhaul](#) section at Acquisition.gov, and are incorporated into this CD.

B. When issuing new solicitations or contracts/orders:

1. **Do not include** any of the removed provisions or clauses (i.e., any provisions or clauses marked as “[Reserved]” on the [RFO FAR part 52](#) page).
2. **Include** the applicable provisions and clauses listed on the [RFO FAR part 52](#) page.
 - i. **For deviated provisions or clauses, (i.e., any provisions or clauses marked with “(DEVIATION DATE)”**, utilize the RFO FAR model deviation text at [RFO FAR part 52](#).

C. For open solicitations:

1. **Amend the solicitation to remove** any provisions and clauses that have been removed by the RFO FAR model deviation text (i.e., any provisions or clauses marked as “[Reserved]” on the [RFO FAR part 52](#) page).

2. **Amend the solicitation to include or update** any applicable deviated provisions or clauses (i.e., any provision or clauses marked with “(DEVIATION DATE)”) to reflect the RFO FAR model deviation text at [RFO FAR part 52](#).

D. For existing contracts and orders:

1. **At the next available opportunity, modify the contract/order to remove** any clauses that have been removed by the RFO FAR model deviation text (i.e., any clauses marked as “[Reserved]” on the [RFO FAR part 52](#) page).
2. **At the next available opportunity, modify the contract/order to include or update** any applicable deviated clauses (i.e., any clauses marked with “(DEVIATION DATE)”) to reflect the RFO FAR model deviation text at [RFO FAR part 52](#).

8. AUTHORITY:

This CD is issued under the authority of EO 14275, 48 CFR 1.4, RFO FAR 1.304, and OMB [M-25-26](#).

9. DEVIATION:

The RFO FAR parts 29 and 31 model deviation text, and corresponding FAR part 52 model deviation text, are available at <https://www.acquisition.gov/far-overhaul>, and are incorporated into this CD.

Summary of Changes:

FAR part 29, Taxes, has been updated to be more direct, active, and accessible. The main objective was to rewrite the complex tax requirements in plain language, leading to an approximate 20% reduction in word count.

FAR part 31, Contract Cost Principles and Procedures, anchored in federal appropriations law, has been streamlined to provide only the essential requirements for the pricing of contracts, subcontracts, and modifications whenever cost analysis is performed.

Statutory requirements retained in the affected RFO FAR model deviation text include, but are not limited to, the following:

RFO FAR part 29:

- 26 U.S.C. § 4041, Imposition of tax
- 26 U.S.C. § 4053, Exemptions
- 26 U.S.C. § 4064, Gas guzzler tax
- 26 U.S.C. § 4221, Certain tax-free sales
- 26 U.S.C. § 4293 and § 4483, Tax exemptions
- 26 U.S.C. § 5000C, Imposition of tax on certain foreign procurement
- 10 U.S.C. § 402, Transportation of humanitarian relief supplies to foreign countries
- 10 U.S.C. § 404, Foreign disaster assistance
- 10 U.S.C. § 2557, Domestic emergency assistance
- 10 U.S.C. § 2561, Humanitarian assistance

RFO FAR part 31:

- Armed Services Procurement Act of 1947, Public Law 413
- 41 U.S.C. Chapter 43 and 10 U.S.C. Chapter 273, Allowable Costs
- 31 U.S.C. Chapter 37, Subchapter III, Claims Against the United States Government
- 18 U.S.C. § 1031, Major Fraud Against the United States
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments

FAR Part	Change	Description
29	Retained	<ul style="list-style-type: none"> • Revisions made to the “Scope of Part” at 29.000 are minor plain language adjustments. The substantive scope of the part remains. • Subpart 29.1 - Guidance for resolving tax problems is retained at 29.101; however, contracting officers are now required to request assistance from assigned legal counsel when tax issues arise. It was previously encouraged, but not required, to do so. • Subpart 29.2 - Federal Excise Taxes is retained; however contracting officers are now required to request offers on a tax-exclusive basis when the law exempts the Government from federal excise taxes, unless inappropriate for the circumstances. It was previously encouraged, but not required, to do so. • Subpart 29.3 - The language governing application of State and Local Taxes has been logically reorganized and renumbered. This restructuring improves the flow of information, making the subpart more intuitive for users. For instance, the specific rules for the North Carolina Sales and Use Tax Act, previously located in a sub-paragraph, have been elevated to a standalone section, increasing their visibility and usability. • Subpart 29.4 - Most of the solicitation provisions, contract clauses, and prescriptions are retained, with plain language edits where appropriate, because they are tied to specific tax law. • Clauses and provisions retained with plain language adjustments include: <ul style="list-style-type: none"> ○ 52.229-1, State and Local Taxes. ○ 52.229-2, North Carolina State and Local Sales and Use Tax ○ 52.229-3, Federal, State, and Local Taxes. ○ 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments) ○ 52.229-5, Remains “Reserved” ○ 52.229-6, Taxes-Foreign Fixed-Price Contracts. ○ 52.229-7, Taxes-Fixed-Price Contracts with Foreign Governments ○ 52.229-8, Taxes-Foreign Cost-Reimbursement Contracts. ○ 52.229-9, Taxes-Cost-Reimbursement Contracts with Foreign Governments

FAR Part	Change	Description
		<ul style="list-style-type: none"> ○ 52.229-10, State of New Mexico Gross Receipts and Compensating Tax ○ 52.229-11, Tax on Certain Foreign Procurements—Notice and Representation ○ 52.229-12, Tax on Certain Foreign Procurements
29	Removed	<ul style="list-style-type: none"> • Definitions of North Atlantic Treaty Organization (NATO) Forces, and U.S. Forces in Afghanistan have been removed. • Information in Section 29.304, Matters requiring special consideration has been removed or relocated, as appropriate. • Subsection 29.402-4, prescribing tax requirements for foreign contracts in Afghanistan has been removed in its entirety, along with the following clauses prescribed in that section: <ul style="list-style-type: none"> ○ 52.229-13, Taxes—Foreign Contracts in Afghanistan ○ 52.229-14, Taxes—Foreign Contracts in Afghanistan (North Atlantic Treaty Organization Status of Forces Agreement)
31	Retained	<ul style="list-style-type: none"> • The majority of the content is retained as it implements appropriations law. • Most definitions and procedures are retained to maintain uniformity across Government.
31	Removed	<ul style="list-style-type: none"> • Plain language edits were made throughout to enhance readability and remove redundant, unclear, or non-essential language, decreasing the word count by more than 1,300 words.

** This table is not an exhaustive list.*

RFO FAR part 52 model deviation text reflects updates to provision(s) and/or clause(s) associated with affected RFO FAR parts.

10. CONTACT:

Acquisition workforce members with questions regarding this CD should contact their cognizant OpDiv/StaffDiv Acquisition Office or Acquisition Policy Council (APC) Representative(s), as appropriate.

The current list of APC Representatives may be found on the [Acquisition Councils and Workgroups Page](#) of the [HHS Acquisition Portal](#) (HHSAP).

All other questions should be directed to Acquisition_Policy@hhs.gov.