



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

August 5, 2025

Class Deviation RFO-2025-31

MEMORANDUM TO: Acquisition Management Division and Buyers in the Regions

FROM: Nicole Stevenson, Acting Director  
Acquisition Management Division  
Office of Administration

A handwritten signature in blue ink, appearing to read "Nicole Stevenson", is written over a horizontal line.

Signed by Stevenson, Nicole  
on 08/05/25

SUBJECT: FAR Class Deviation for FAR Part 31 in Support of Executive Order  
14275 on Restoring Common Sense to Federal Procurement

1. **PURPOSE:** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 31 – “Contract Cost Principles and Procedures” for purposes of implementing the Federal Acquisition Regulatory Council’s (the Council’s) model deviation text to FAR Part 31. Notable changes were made based on federal appropriations law, focusing on essential requirements for pricing contracts, subcontracts, and modifications during cost analysis. The overhauled version also adds a new section on indirect cost rate certifications and penalties for unallowable costs (now FAR 31.109), but this new section merely references the existing regulations in FAR Part 42.
2. **BACKGROUND:** [Executive Order \(E.O.\) 14275 on Restoring Common Sense to Federal Procurement](#) signed April 15, 2025, mandates a comprehensive review and simplification of the Federal Acquisition Regulation (FAR).

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

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.

3. **SUMMARY OF CHANGES:** 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 and principles retained in the RFO FAR Part 31 model

deviation include, but are not limited to, the following:

- 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

Change	Description
Retained	<ul style="list-style-type: none"><li>• The majority of the content is retained as it implements appropriations law.</li><li>• Most definitions and procedures are retained to maintain uniformity across Government.</li></ul>
Removed	<ul style="list-style-type: none"><li>• 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.</li></ul>

This table is not an exhaustive list.

#### 4. INSTRUCTIONS:

- The NRC acquisition workforce shall follow the RFO Part 31 model deviation text instead of FAR Part 31 as codified at 48 CFR Chapter 1. The Council's RFO Part 31 model deviation text is available at [Acquisition.gov/far-overhaul](https://www.acquisition.gov/far-overhaul) and is incorporated into this class deviation.
- Review templates and related standard operating procedures to align with this deviation and remove unnecessary processes and steps.

**5. APPLICABILITY:** This class deviation applies to all NRC solicitations and new contracts as of July 17, 2025. This deviation does not apply to contracts signed and executed on or before July 17, 2025.

**6. AUTHORITY:** This class deviation is issued under the authority of E.O. 14275, [OMB M- 25-26](#), and 48 CFR 1.4 and RFO FAR 1.304.

**7. EFFECTIVE DATE:** This class deviation is effective immediately and remains in effect until rescinded or incorporated into the FAR.

FAR Class Deviation for FAR Part 31 in Support of Executive Order 14275 on Restoring Common Sense to Federal Procurement DATE August 5, 2025

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