



MEMORANDUM

Date: July 28, 2025

Refer To: S1QC

To: Tom Holland
Deputy Commissioner
for Office of Finance and Management X

From: Adam Goldstein
Associate Commissioner
for Acquisition and Grants

Subject: Request for Class Deviation from the Federal Acquisition Regulation (FAR) Parts 29 and 31--DECISION

ISSUE

We request approval of a class deviation from FAR parts 29 and 31 for purposes of implementing the Federal Acquisition Regulatory Council's model deviation text to these parts.

BACKGROUND

Executive Order (E.O.) 14275, *Restoring Common Sense to Federal Procurement*, was signed on April 15, 2025. (See [Attachment \(a\)](#).) Section 2 of the E.O. 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 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- Remove duplicative or outdated language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. (See [Attachment \(b\)](#).) This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

SUMMARY OF CHANGES

FAR Part 29, Taxes—

This part has been updated to be more direct, active, and accessible. The main objective was the rewrite the complex tax requirements in plain language.

Statutory requirements retained in the [RFO FAR part 29](#) model deviation include, but are not limited to, the following:

- 26 United States Code (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

See [Attachment \(c\)](#) for a table summarizing various key FAR part 29 retentions and changes because of the RFO part 29 model text deviation.

FAR Part 31, Contract Cost Principles and Procedures—

This part, 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 United States Code (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
- Office of Management and Budget (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

See [Attachment \(d\)](#) for a table summarizing various key FAR part 31 retentions and changes because of the RFO part 31 model text deviation.

RECOMMENDATION

FAR 1.404(a) authorizes the approval of class deviations by the agency head or his or her designee. The Commissioner delegated this authority to grant deviation requests to the Deputy Commissioner for the Office of Finance and Management.

I recommend approval of the class deviation under the authority of FAR 1.404(a), E.O. 14275, and OMB Memorandum M-25-26.

DECISION

Concurrence of a class deviation is:

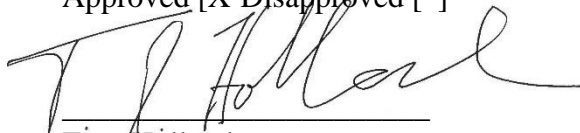
Concur ☐ Oppose ☐

Bruce Starr
Associate Deputy Commissioner
for Office of Finance and Management

Date

Approval of a class deviation is:

Approved ☒ Disapproved ☐



Tom Holland
Deputy Commissioner
for Office of Finance and Management

7/30/25

Date

Attachments

- (a) E.O 14275



E.O. 14275.pdf

- (b) OMB Memorandum M-25-26



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- (c) Table – Summary of RFO Part 29 Deviation Changes



Table - Summary of
RFO Part 29 Deviatric

- (d) Table – Summary of RFO Part 31 Deviation Changes



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