

MKU-DEV-2025-10

**MEMORANDUM FOR MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION (UDALL FOUNDATION)  
CONTRACTING ACTIVITIES**

**DATE:** July 22, 2025

**SUBJECT:** Class Deviations for FAR Part 29 in support of Executive Order 14275, *Restoring Common Sense to Federal Procurement*

**FROM:** David P. Brown, Executive Director

1. **Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 29 for purposes of implementing the Federal Acquisition Regulatory Council's ("the Council's" or "RFO") model deviation text to FAR Part 29.
2. **Background.** On April 15, 2025, President Trump signed Executive Order (E.O.) 14275, "Restoring Common Sense to Federal Procurement" to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of E.O. 14192, "Unleashing Prosperity Through Deregulation," signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people. E.O. 14275 orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies, to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released Memorandum M-25-26, "Overhauling the Federal Acquisition Regulation," that directs all agencies to "Generally issue individual or class deviations to implement the FAR Council's deregulated coverage within 30 days after the Council releases its model deviation text[and] Provide copies of class deviations to the FAR Secretariat at [gsaregsec@gsa.gov](mailto:gsaregsec@gsa.gov) for public posting on Acquisition.gov."

Also on May 2, 2025, the Acting Administrator for Federal Procurement Policy at OMB released a Memorandum, "Deviation Guidance to Support of the Overhaul of the Federal Acquisition Regulation." This Memorandum advises that agencies using the RFO model class deviation text do not need to further coordinate with the Council; class deviations that differ from the RFO model text require Council approval unless the difference is necessary to address agency-specific statutory direction.

On July 17, 2025, the FAR Council issued completed revisions for FAR Part 29 and FAR Part 52 provisions and clauses. The text 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.

Statutory requirements retained in the RFO FAR Part 29 model deviation include, but are not limited to, the following:

- 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

Change	Description
<b>Retained</b>	<ul style="list-style-type: none"> <li>• Revisions made to the “Scope of Part” at 29.000 are minor plain language adjustments. The substantive scope of the part remains.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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"> <li>○ 52.229-1, State and Local Taxes.</li> <li>○ 52.229-2, North Carolina State and Local Sales and Use Tax</li> <li>○ 52.229-3, Federal, State, and Local Taxes.</li> <li>○ 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments)</li> <li>○ 52.229-5, Remains “Reserved”</li> <li>○ 52.229-6, Taxes-Foreign Fixed-Price Contracts.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ 52.229-7, Taxes-Fixed-Price Contracts with Foreign Governments</li> <li>○ 52.229-8, Taxes-Foreign Cost-Reimbursement Contracts.</li> <li>○ 52.229-9, Taxes-Cost-Reimbursement Contracts with Foreign Governments</li> <li>○ 52.229-10, State of New Mexico Gross Receipts and Compensating Tax</li> <li>○ 52.229-11, Tax on Certain Foreign Procurements Notice and Representation</li> <li>○ 52.229-12, Tax on Certain Foreign Procurements</li> </ul>
<b>Removed</b>	<ul style="list-style-type: none"> <li>• Definitions of North Atlantic Treaty Organization (NATO) Forces, and U.S. Forces in Afghanistan have been removed.</li> <li>• Information in Section 29.304, Matters requiring special consideration has been removed or relocated, as appropriate.</li> <li>• 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"> <li>○ 52.229-13, Taxes Foreign Contracts in Afghanistan</li> <li>○ 52.229-14, Taxes Foreign Contracts in Afghanistan</li> <li>○ (North Atlantic Treaty Organization Status of Forces Agreement)</li> </ul> </li> </ul>

This table is not an exhaustive list.

3. **Determination.** To fully comply with E.O. 14275, OMB implementation guidance, and direction related to use of model deviations, and the model deviations for revised FAR Part 29, the Udall Foundation shall follow the RFO Part 29 model deviation text instead of FAR Part 29 as codified at 48 CFR Chapter 29. The FAR Council's RFO Part 29 model deviation text is available at Acquisition.gov, under the "FAR Overhaul" link. This deviation applies to all solicitations and new contracts as of the date of the Memorandum. This deviation does not apply to contracts signed and executed on or before the date of this Memorandum.
4. **Instructions.** The Udall Foundation acquisition workforce shall follow the RFO Part 29 model deviation text instead of FAR Part 29 as codified at 48 CFR Chapter 29 and the RFO Part 52 model deviation text of FAR Part 52 as codified at 48 CFR Chapter 52. The Council's RFO Parts 29 and 52 model deviation text are available at Acquisition.gov, under the "FAR Overhaul" link, and are incorporated into this class deviation.

When using any provisions or clauses that have been revised, the Udall Foundation acquisition workforce shall use the RFO model deviation language at RFO FAR part 52 and shall not include any of the removed provisions or clauses in future solicitations and contracts.

For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses. **Note** that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract. Review templates and related standard operating procedures to remove unnecessary pro

The Udall Foundation acquisition workforce shall review templates and related standard operating procedures to align with this deviation and remove unnecessary processes or steps.

A copy of this Class Deviation will be provided to the FAR Secretariat at [gsaregsec@gsa.gov](mailto:gsaregsec@gsa.gov).

5. **Applicability.** This class deviation applies to all Udall Foundation procurements.
6. **Authority.** This class deviation is issued under the authority of E.O. 14275, OMB Memo 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.

**Points of Contact.** Questions regarding this class deviation may be directed to the Udall Foundation General Counsel, Gwendolyn Franks, at [franks@udall.gov](mailto:franks@udall.gov).