

Acquisition Alert 25-28

TO: All Contracting Activities

FROM: Michael W. Derrios

Senior Procurement Executive U.S. Department of State

SUBJECT: Federal Acquisition Regulation (FAR) Class Deviation for FAR Part 31

in Support of Executive Order on Restoring Common Sense to Federal

Procurement

1. Introduction: The purpose of this Acquisition Alert is to issue a FAR class deviation to part 31 for purposes of implementing the Federal Acquisition Regulatory Council's model deviation text to that part.

2. Background: On April 15, 2025, Executive Order (E.O.) 14275 on Restoring Common Sense to Federal Procurement was signed. 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 that is not required by statute;
- Remove duplicative or outdated language;
- Clarify or provide plain language;
- Revise language for the new FAR framework; and
- Retain language necessary for governmentwide acquisition standards.

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This class deviation is issued under the authority of E.O. 14275, OMB M-25-25, and 48 CFR 1.4.

Deviation Summary

FAR part 31, Contract Cost Principles and Procedures, has been updated to streamline and provide only the essential requirements for the pricing of contracts, subcontracts, and modifications whenever cost analysis is performed. A new FAR 31.004, Deviations has been added which consolidates information from other subparts.

FAR part 31 is anchored in federal appropriations law; therefore, the majority of this part is unchanged. Statutory requirements 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

Non-statutory requirements removed from FAR part 31 include, but are not limited to, the removal of definitions that are considered well-known business definitions or are otherwise included in the Cost Accounting Standard.

Corresponding DOSAR Deviation Summary

Based on the Council's model deviated language, a class deviation is hereby issued to the Department of State Acquisition Regulation (DOSAR) to remove a subpart heading as this subpart has been reserved in the FAR.

- **3. Acquisition Impact:** The changes resulting from this class deviation affect all DoS procurements and contracting activities issued on or after the effective date of the AA.
- **4. Action Required:** The acquisition workforce must follow the RFO part 31 model deviation text instead of FAR part 31 as codified at 48 CFR Chapter 1. The

Council's part 31 RFO model deviation text is available at <u>Acquisition.gov/faroverhaul</u>, and is incorporated into this class deviation.

- **5. Effective Date:** While this Acquisition Alert is effective upon issuance, the model deviated language was released on July 17, 2025.
- **6. Expiration Date:** This Acquisition Alert expires upon incorporation into the FAR, DOSAR, and/or DOSAM.
- **7. Additional Information:** Questions regarding this Acquisition Alert may be directed to AcquisitionPolicy@state.gov.
- 8. Attachments:

DOSAR Part 631 Deviation Line In/Line Out Document

9. Referenced Documents, Checklists, Guides and Templates: None.