



**U.S. Department
of Transportation**

1200 New Jersey Ave., S.E.
Washington, DC 20590

Office of the Secretary
of Transportation

SUBJECT: Class Deviation No. 2025-12 from the Federal Acquisition Regulation for FAR Part 31 in Support of Executive Order 14275 on Restoring Common Sense to Federal Procurement

FROM: Chrishaun Jones
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TO: Department of Transportation Chiefs of the Contracting Offices

- I. Purpose:** This class deviation (CD) is issued under Federal Acquisition Regulation (FAR) part 1 and Transportation Acquisition Regulation (TAR) part 1201 and authorizes a class deviation to FAR part 31 for purposes of implementing the Federal Acquisition Regulatory Council's (the Council's) model deviation text to FAR part 31.
- II. Effective Date:** Immediately
- III. 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- Remove duplicative or outdated language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 more plain language
- Revise language for the new FAR framework
- Retain language necessary for governmentwide acquisition standards.

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

The following table is not an exhaustive list but includes notable updates to FAR part 31.

Change	Description
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.
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.

- IV. Required Actions:** All DOT Operating Administrations (OAs), the Office of the Secretary of Transportation (OST), and the Office of the Inspector General (OIG), excluding the Federal Aviation Administration (FAA) per TAR 1201.104(d) 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 by reference into this CD. A line-out version of the changes may also be found [here](#) for reference.

Heads of the Contracting Activities (HCAs) must ensure this deviation is disseminated to the acquisition workforce and ensure compliance with the requirements in the revised FAR part 31 guidance.

- V. Applicability:** This CD applies to all DOT OAs, OST, and OIG, excluding the FAA in accordance with TAR 1201.104(d).
- VI. Expiration Date:** This CD will remain in effect until it is incorporated into the FAR or is otherwise rescinded, whichever occurs first.
- VII. Point of Contact:** Questions or comments regarding this deviation may be directed to DOTAcquisitionPolicy@dot.gov.