

## **DEPARTMENT OF HEALTH & HUMAN SERVICES**

Office of the Secretary
Washington, D.C. 20201

# FAR CLASS DEVIATION 2025-09 Amendment 1

**MEMORANDUM TO:** Heads of the Contracting Activities (HCAs)

FROM: Jennifer D. Johnson Jennifer Johnson (Sep 30, 2025 14:24:59 EDT)

Acting Deputy Assistant Secretary for Acquisitions and Senior Procurement Executive

Office of Acquisitions (OA)

Office of Assistant Secretary for Financial Resources (ASFR)

Department of Health and Human Services (HHS)

**SUBJECT:** Amendment 1 to Federal Acquisition Regulation (FAR) Class Deviation (CD) No. 2025-

09 in Support of Executive Order (EO) 14275, "Restoring Common Sense to Federal Procurement;" Deviation to FAR Parts 4, 8, 12, 38, 40, 51 and Applicable Portions of 52.

#### 1. EFFECTIVE DATE:

November 3, 2025

## 2. EXPIRATION DATE:

This CD remains in effect until the changes described herein are incorporated in the FAR, superseded, or otherwise rescinded.

## 3. PURPOSE:

This FAR CD implements requirements to comply with <u>EO 14275</u>, *Restoring Common Sense to Federal Procurement*, for the purposes of implementing the Federal Acquisition Regulatory Council's changes to FAR parts 4, 8, 12, 38, 40, and 51. It also incorporates and adopts the FAR Council's model deviation text to the affected FAR parts.

Amendment 1 to FAR CD 2025-09 updates the CD to reflect the following:

- The RFO model deviation text for FAR part 8 was updated on August 29, 2025 to create a new class of contracts called "required use contracts" which are separate from "best-in-class" (BICs) contracts, and clarify that use of BICs will continue to be prioritized, but not mandated; and
- Require HHS contracting staff to follow the updated RFO FAR part 8 model deviation text.

FAR CD 2025-09, signed on September 8, 2025, is hereby rescinded and superseded by this amendment.

#### 4. APPLICABILITY:

The requirements in this CD apply to all HHS Divisions for applicable solicitations, contracts, and orders.

#### 5. ROLES AND RESPONSIBILITIES:

Heads of the Contracting Activities (HCAs) must ensure this CD is disseminated to the acquisition workforce and ensure compliance with the requirements in the CD. Additionally, HCAs must review and update any applicable internal procedures and guidance to reflect the policies and guidance contained herein.

#### 6. BACKGROUND:

On April 15, 2025, EO 14275, Restoring Common Sense to Federal Procurement, was signed. Section 2 of the EO 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.

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.

On August 14, 2025, the FAR Council issued the RFO model deviation text for FAR parts 4, 8, 12, 38, 40, and 51.

On August 29, 2025, the FAR Council issued updated RFO model deviation text for FAR part 8. This deviation is intended to drive acquisition efficiencies in support of <u>EO 14240</u>, <u>Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement</u>, and OMB's implementing guidance on procurement consolidation, <u>M-25-31</u>, <u>Consolidating Federal Procurement Activities</u>. A clarification has been made to FAR 8.104(a).

EO 14240 and OMB's guidance (M-25-31) require agencies to buy common goods and services in the most efficient and effective manner possible for the American taxpayer to save money and eliminate waste. OMB's implementing guidance relies on common sense principles to drive greater acquisition efficiencies – in particular, it calls on agencies to use existing governmentwide contracts for commercial goods rather than creating duplicative, agency-specific contracts.

The FAR Council has issued a clarified model deviation that creates the foundation for a new class of contracts called "required use contracts." These contracts will be separate from "best-in-class" (BICs) contracts, whose use is not mandated. The clarified deviation explains that contract vehicles designated

by OFPP as "required use" must be used for any item or service in-scope of these designated contracts. OFPP "required use contracts" are mandatory and have priority over all other contracts. If OFPP required use vehicles are not used for in-scope requirements, contracting officers must request an exception from their cognizant HCA. To date, no contracts have been designated as "required use contracts." OFPP will establish the criteria for determining what vehicles should qualify as "required use contracts." If an existing BIC meets the new criteria, it will be designated as a required use contract, but no existing BIC will be automatically designated as a required use contract.

### 7. POLICY/GUIDANCE:

Effective immediately, HHS contracting staff must comply with the following:

**A.** Follow the RFO FAR parts 4, 8 (as *updated on August 29, 2025*), 12, 38, 40, and 51 model deviation text, including the corresponding part 52 model deviation text, instead of FAR parts 4, 8, 12, 38, 40, 51, and corresponding part 52 as codified at 48 CFR Chapter 1. The Council's RFO model deviation texts are available in the <u>FAR Overhaul</u> section at Acquisition.gov and are incorporated into this CD.

## B. When issuing new solicitations, contracts, or orders:

- 1. <u>Do not include</u> any of the removed provisions or clauses (i.e., any provisions or clauses marked as "[Reserved]" on the <u>RFO FAR part 52</u> page).
- 2. <u>Include</u> the applicable provisions and clauses listed on the <u>RFO FAR part 52</u> page.
  - i. For deviated provisions or clauses, (i.e., any provisions or clauses marked with "(DEVIATION DATE)"), utilize the RFO FAR model deviation text at RFO FAR part 52.

#### C. For open solicitations:

- 1. <u>Amend the solicitation to remove</u> any provisions and clauses that have been removed by the RFO FAR model deviation text (i.e., any provisions or clauses marked as "[Reserved]" on the <u>RFO FAR part 52</u> page).
- **2.** <u>Amend the solicitation to include or update</u> any applicable deviated provisions or clauses (i.e., any provision or clauses marked with "(DEVIATION DATE)") to reflect the RFO FAR model deviation text at <u>RFO FAR part 52</u>.

## **D.** For existing contracts and orders:

- 1. At the next available opportunity, modify the contract or order to remove any clauses that have been removed by the RFO FAR model deviation text (i.e., any clauses marked as "[Reserved]" on the RFO FAR part 52 page).
- 2. At the next available opportunity, modify the contract or order to include or update any applicable deviated clauses (i.e., any clauses marked with "(DEVIATION DATE)") to reflect the RFO FAR model deviation text at RFO FAR part 52.

# E. When using RFO provisions or clauses, include the following System for Award Management (SAM) language in the solicitation or contract:

"System updates may lag policy updates. The System for Award Management (SAM) may continue to require entities to complete representations based on provisions that are not included in this solicitation. Contracting officers will rely on representations from offers based on provisions in the solicitation. Entities are not required to, nor are they able to, update their entity registration to remove these representations in SAM."

## 8. AUTHORITY:

This CD is issued under the authority of EO 14275, 48 CFR 1.4, RFO FAR 1.304, and OMB M-25-26.

#### 9. **DEVIATION**:

The RFO FAR parts 4, 8 (as updated on August 29, 2025), 12, 38, 40, and 51 model deviation text, and corresponding FAR part 52 model deviation text, are available at <a href="https://www.acquisition.gov/faroverhaul">https://www.acquisition.gov/faroverhaul</a>, and are incorporated into this CD.

### **Summary of Changes:**

FAR part 4, Administrative and Information Matters, has been reorganized within each subpart to follow the acquisition process (i.e., steps to take before solicitation vs. after award). This new structure makes it easier and faster to find needed information at each stage of a procurement. A significant amount of content is also relocated to FAR part 40 to better align with security requirements.

FAR part 8, Required Sources of Supplies and Services, is significantly updated. The model deviation language:

- Enhances usability by restructuring and organizing the part in the logical flow of the acquisition lifecycle.
- Simplifies mandatory source guidance.
- Creates the foundation for a new class of contracts classed "required use contracts."
- Clarifies the use of Governmentwide BIC contracts will continue to be prioritized but not mandated.
- Retains focus on the importance of the AbilityOne Program.

This revolutionary change also moves the procedures for ordering under the Federal Supply Schedule (FSS) from the FAR into the General Services Administration Acquisition Regulation (GSAR). The new

language represents a significant shift from the overly prescriptive framework found in FAR subpart 8.4. FSS ordering procedures have been revised to create a streamlined structure that provides only the essential requirements needed to place orders and establish blanket purchase agreements (BPAs) against FSS contracts. This streamlined structure enhances the speed of acquisition and empowers acquisition professionals to use innovative approaches to acquire products/services/solutions under the FSS program.

FAR part 12, Acquisition of Commercial Products and Commercial Services, is significantly updated. The part has been fundamentally re-engineered in its structure, scope, and operational mechanics to make federal buying faster, simpler, and more aligned with commercial practices. These changes reflect an effort to create a user-centric part that champions flexibility, and innovation when acquiring commercial products and services.

FAR part 38, Federal Supply Schedule Contracting, is removed in its entirety. Guidance and procedures for the Schedule program will be moved from FAR part 38 and subpart 8.4 to GSAR part 538.

FAR part 40, Information Security and Supply Chain Security, has been simplified and consolidated as shown below. Instead of navigating a patchwork of multiple subparts throughout the FAR and over a dozen different provisions and clauses to understand security requirements, readers can now refer to a single, logically organized part.

- <u>Simplified</u>: FAR part 40 is reorganized into three key subparts:
  - o Subpart 40.1 Processing Supply Chain Risk Information (previously reserved)
  - o Subpart 40.2 Security Prohibitions and Exclusions
  - Subpart 40.3 Safeguarding Information (previously reserved)

#### • Consolidated:

- o Regulatory requirements previously found at FAR subparts 4.4, 4.19 through 4.23, and 25.7 have been moved into part 40.
- More than a dozen separate provisions (5) and clauses (9) have been merged into 4 (1 provision and 3 clauses).

FAR part 51, Use of Government Sources By Contractors, is removed in its entirety. All statutory text and essential text retained to support sound procurement will be moved to FAR part 8.

Statutory requirements and government directives retained in the affected RFO FAR model deviation text include, but are not limited to, the following:

#### RFO FAR part 4:

- 26 U.S.C. §§ 6041 et seq, Information Concerning Transactions With Other Persons
- 26 U.S.C. § 6109, Identifying Numbers
- 31 U.S.C. § 6303, Using Procurement Contracts
- 31 U.S.C. § 7701, Taxpayer Identifying Number
- 41 U.S.C. § 1122, Functions, Federal Procurement Data System

- 41 U.S.C. § 1712, Record Requirements
- 41 U.S.C. § 2301, Use of Electronic Commerce in Federal Procurement
- 41 U.S.C. § 4706, Examination of Facilities and Records of Contractor
- Pub. L. 109-282, Federal Funding Accountability and Transparency Act of 2006
- Pub. L. 113-101, Digital Accountability and Transparency Act of 2014

## RFO FAR part 8:

- 10 U.S.C. § 3905, Products of Federal Prison Industries
- 18 U.S.C. § 4124, Purchase of Prison-Made Products by Federal Departments
- 40 U.S.C. § 501, Services for Executive Agencies
- 41 U.S.C. § 152(3), Competitive Procedures
- 41 U.S.C. § 3302, Requirements for Purchase of Property and Services Pursuant to Multiple Award Contracts
- 41 U.S.C. §§ 8501 et seq, Committee for Purchase from People Who are Blind or Severely Disabled
- 44 U.S.C. §§ 501 et seq, Production and Procurement of Printing and Binding
- Pub. L. 108-136, Title XIV, Services Acquisition Reform Act of 2003

## RFO FAR part 12:

- 10 U.S.C. §§ 3451 et seq, Procurement of Commercial Products and Commercial Services
- 10 U.S.C. § 3453 and 41 U.S.C. § 3307, Preference for Commercial Products and Commercial Services
- 10 U.S.C. § 3771 and 41 U.S.C. § 2302, Rights in Technical Data
- 10 U.S.C. § 3805 and 41 U.S.C. § 4505, Payments for Commercial Products and Commercial Services
- 41 U.S.C. § 103, Commercial Product
- 41 U.S.C. § 103a, Commercial Service
- 41 U.S.C. § 104, Commercially Available Off-the-Shelf Item
- 41 U.S.C. § 1708, Procurement Notice
- Pub. L. 103-355, Federal Acquisition Streamlining Act of 1994 (FASA)
- Pub. L. 105-261 Sec 803, Defense Commercial Pricing Management Improvement

### RFO FAR part 38:

• N/A – This part is now reserved.

### RFO FAR part 40:

- 41 U.S.C. §§ 1321 et seq, Federal Acquisition Supply Chain Security Act (FASCSA)
- 41 U.S.C. § 4713, Authorities Related to Mitigating Supply Chain Risks in the Procurement of Covered Articles
- 44 U.S.C. §§ 3501 et seq, Federal Information Policy
- Pub. L. 115-91 Section 1634, Prohibition on Use of Products and Services Developed or Provided by Kaspersky Lab

- Pub. L. 115-232 Section 889, Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment
- Pub. L. 115-232 Section 1758, Requirements to Identify and Control the Export of Emerging and Foundational Technologies
- Pub. L. 115-390, Strengthening and Enhancing Cyber-capabilities by Utilizing Risk Exposure Technology Act (SECURE Technology Act)
- Pub. L. 117-328 Div R Section 102, Prohibition on the Use of TikTok
- Pub. L. 118-31 Section 1823, Prohibition on Procurement of Covered Unmanned Aircraft Systems from Covered Foreign Entities.

## RFO FAR part 51:

• N/A – This part is now reserved.

FAR Part	Change	Description
4	Retained	<ul> <li>The revised part structure consolidates relevant guidance into processoriented subparts:         <ul> <li>Subpart 4.1 - Presolicitation</li> <li>Subpart 4.2 - Solicitation, Evaluation, and Award</li> <li>Subpart 4.3 - Post-award</li> </ul> </li> <li>Contents of subparts 4.4 - 4.6 are retained, streamlined, and moved throughout the new subpart structure.</li> <li>Subpart 4.7 "Contractor Records Retention", is retained and streamlined.</li> <li>Contents of subparts 4.8 thru 4.23 are either retained, streamlined, and moved throughout the new subpart structure or are moved to new FAR part 40.</li> <li>Section 4.000 "Scope of Part", is retained with updates to remove reference to security prohibitions and exclusions. This content is moved to FAR part 40.</li> <li>Section 4.001 "Definitions", is retained and updated. 4.001 now includes definitions of "Executive", "First-tier subcontract", "Generic entity identifier", and "Total compensation". These terms are consolidated from the former subparts 4.6, 4.14, and 4.17 and now support the post-award reporting requirements in the new subpart 4.3.</li> <li>Section 4.002 "Electronic Commerce in Contracting", is a new section that retains the essential contents of section 4.502(a).</li> <li>Section 4.101 "Contract Files", significantly updates the requirements for contract files. Best practices for contract files are moved to non-regulatory guidance.</li> <li>Section 4.201 "Unique Procurement Instrument Identifiers", is moved from subpart 4.16. The policy regarding the structure and use of PIIDs and supplementary PIIDs is retained, and the language is streamlined for clarity.</li> </ul>

FAR Part	Change	Description
Part		<ul> <li>Section 4.202 "Uniform Use of Line Items", is moved from subpart 4.10. The substance of the policy is retained.</li> <li>Section 4.203 "System for Award Management", represents a significant consolidation of policies from subparts 4.11 (System for Award Management) and 4.12 (Representations and Certifications). It streamlines the list of exceptions to the SAM registration requirement and clarifies the contracting officer's procedures for verifying an offeror's active registration. In another example of streamlining, the model deviation text removes the list of 33 specific representations and certifications from section 4.1202. Instead, the revised provision at 52.204-7 now contains the authoritative list, moving detailed procedural information into the provision itself. Changes to SAM will not be made immediately.</li> <li>Section 4.204 "Taxpayer Identification Information", consolidates and simplifies the policy from subpart 4.9. It streamlines the text by directly linking the requirement to collect a contractor's Taxpayer Identification Number (TIN) to one of two mechanisms: the contractor's SAM registration through the revised 52.204-7, or, for entities not required to register, the submission of the new provision at 52.204-90 "Offeror Identification".</li> <li>Section 4.205 "Personal Identity Verification", moves and condenses the pre-award policies on Personal Identity Verification (PIV) from subpart 4.13. The post-award requirement concerning the return of PIV cards has been relocated to the new post-award subpart at 4.302.</li> <li>Sections 4.206 "Contracting Officer's Signature" and 4.207 "Contractor's Signature", move and update the policies on contract execution from subpart 4.1. A significant modernization is the explicit acceptance of digital signatures for both Government and contractor personnel, provided they use a certificate from a PIV or Common Access Card (CAC). This formally recognizes and standardizes a common business practice in the digital age.</li> <li>Section 4.208 "Solicitati</li></ul>

FAR Part	Change	Description
Part		<ul> <li>Sections 4.304 "System for Award Management" and 4.305         "Contractor Identification", contain the post-award maintenance requirements for SAM and other contractor identifiers. This content has been moved from section 4.1102(d) and subpart 4.18. Creating these distinct post-award sections provides a clear separation between the preaward requirement to register in SAM and the ongoing post-award obligation to maintain that information.</li> <li>Section 4.306 "Executive Compensation", moves the post-award reporting requirement for executive compensation and first-tier subcontracts from subpart 4.14. However, this reporting is also no longer required for commercial product and services contracts.</li> <li>Section 4.307 "Payment Office", consolidates the various requirements for providing essential information to the payment office (such as TIN, UEI, and EFT) that were embedded within other areas, such as sections 4.203 and 4.902.</li> <li>Sections 4.308 "Contract Closcout" and 4.309 "Storage, Handling, and Contract Files", move and reorganize the content from sections 4.804 and 4.805.</li> <li>The following provisions and clauses are retained with no changes.         <ul> <li>52.204-5, Women-Owned Business (Other Than Small Business)</li> <li>52.204-9, Personal Identity Verification of Contractor Personnel</li> <li>52.204-19, Incorporation by Reference of Representations and Certifications</li> </ul> </li> <li>The following provisions and clauses are retained with plain language and other edits.         <ul> <li>52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards</li> <li>52.204-116, Reporting Executive Compensation and First-Tier Subcontract Awards</li> <li>52.204-15, Service Contract Reporting Requirements for Indefinite-Delivery Contracts</li> </ul> </li> <li>Several provisions and clauses are consolidated into new provisions and clauses. This consoli</li></ul>
		Reporting • 52.204-17, Ownership or Control of Offeror

FAR Part	Change	Description
		<ul> <li>52.204-20, Predecessor of Offeror</li> <li>Updated Clause 52.204-13, System for Award Management–Maintenance and New Clause 52.204-91, Contractor Identification consolidate the following clauses</li> <li>52.204-12, Unique Entity Identifier Maintenance</li> <li>52.204-18, Commercial and Government Entity Code Maintenance</li> </ul>
4	Removed	<ul> <li>The model deviation text deletes subpart 4.2 "Contract Distribution". This subpart, which prescribed procedures for distributing paper copies of contracts, is now obsolete in an acquisition environment dominated by electronic contract writing, signature, and distribution systems. Essential notification requirements, such as informing the payment office, are now covered in other sections, to include the new 4.307.</li> <li>Subparts 4.4, 4.19, 4.20, 4.21, 4.22, and 4.23 are all security-related and are relocated to RFO FAR part 40.</li> </ul>
		<ul> <li>The following provisions and clauses are removed and incorporated into RFO FAR part 40.</li> <li>52.204-2, Security Requirements.</li> <li>52.204-21, Basic Safeguarding of Covered Contractor Information Systems.</li> <li>52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities.</li> <li>52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment.</li> <li>52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.</li> <li>52.204-26, Covered Telecommunications Equipment or Services—Representation.</li> <li>52.204-27, Prohibition on a ByteDance Covered Application.</li> <li>52.204-28, Federal Acquisition Supply Chain Security Act Orders—Federal Supply Schedules, Governmentwide Acquisition Contracts, and Multi-Agency Contracts.</li> <li>52.204-29, Federal Acquisition Supply Chain Security Act Orders—Representation and Disclosures.</li> <li>52.204-30, Federal Acquisition Supply Chain Security Act Orders—Prohibition.</li> </ul>
		<ul> <li>The following provisions and clauses are removed as they are obsolete.</li> <li>52.204-1, Approval of Contract.</li> </ul>

FAR Part	Change	Description
		o <b>52.204-22</b> , Alternative Line Item Proposal.
8	Retained	<ul> <li>The substance of the "Scope" in 8.000 is retained.</li> <li>Many definitions, previously scattered across different subparts of part 8, are now consolidated at new section 8.001.</li> <li>Use of Mandatory Sources. The priorities and requirements for use of mandatory sources are moved from 8.002 to new sections 8.102, and 8.103. Former section 8.003, "Use of Other Mandatory Sources", is deleted, but its content is preserved and merged into the new section 8.101.</li> <li>Use of Existing Contracts. 8.104 replaces section 8.004, "Use of Other Sources". When a commercial product or commercial service meets an agency 's needs and is available on an existing contract or Blanket Purchase Agreement (BPA) awarded for Governmentwide use, the agency must use that existing contract or BPA if it has been designated by OFPP as a "required use" contract. Agencies should consider use of other existing government-wide contracts or blanket purchase agreements if there is not a suitable "required use" contract to meet the agency 's needs.</li> <li>Contractor permitted use of Government supply sources. This new content moves from FAR part 51 to the new section at 8.105. A new clause is prescribed in section 8.105-1 and discussed below.</li> <li>Contractor Use of GSA Flect. Former subpart 8.11, "Leasing of Motor Vehicles", is deleted but guidance for authorizing contractor use of GSA Fleet is preserved and moved to section 8.105-3.</li> <li>Ordering under the Federal Supply Schedule. This new subpart 8.4 directs agencies to follow the ordering procedures established by GSA found at General Services Acquisition Regulation (GSAR) part 538.</li> <li>Requirements and procedures for Acquisition From Federal Prison Industries, Inc. are retained and streamlined. The content has been moved from subpart 8.6 to the new subpart 8.7.</li> <li>Requirements and procedures for Acquisition From Ability One Participating Nonprofit Agencies are retained and streamlined. The content has been moved from sub</li></ul>

FAR Part	Change	Description
		<ul> <li>The prescription is now at 8.105-2(c).</li> <li>Clause 52.208-11, GSA Fleet and Related Services (previously at 52.251-2)</li> <li>The prescription is now at 8.105-3(c).</li> <li>52.208-1 through 52.208-8 remain reserved.</li> </ul>
8	Removed	<ul> <li>Section 8.001, "General", is removed. It contained a general requirement for IT acquisitions to comply with capital planning rules. This information is not specific to the core purpose of part 8.</li> <li>Subpart 8.1, "Excess Personal Property" is removed. The new 8.103(a)(2) points readers to the authoritative Federal Management Regulation (41 C.F.R. 102-36) to avoid outdated information.</li> <li>Subpart 8.4, "Federal Supply Schedules" is retitled to "Ordering under the Federal Supply Schedule", and streamlined with the majority of the content moving to GSAM/R 538.</li> <li>The following clauses associated with "Leasing of Motor Vehicles" are removed: <ul> <li>52.208-4, Vehicle Lease Payments</li> <li>52.208-5, Condition of Leased Vehicles</li> <li>52.208-6, Marking of Leased Vehicles</li> <li>52.208-7, Tagging of Leased Vehicles</li> </ul> </li> </ul>
12	Retained	<ul> <li>The revised part structure consolidates all relevant guidance into process-oriented subparts:         <ul> <li>Subpart 12.1 - Presolicitation</li> <li>Subpart 12.2 - Solicitation, Evaluation, and Award</li> <li>Subpart 12.3 - Postaward</li> <li>Subpart 12.4 - Micro-purchases</li> </ul> </li> <li>Definitions related to this part, such as "Commercially Available Off-the-Shelf Item or COTS Item" and "Nondevelopmental Item" still remain at FAR 2.101, with some edits.</li> <li>The definition of "Commercial service" at FAR 2.101 clarifies that construction is included within the definition.</li> <li>Section 12.000, "Scope", now clarifies that simplified procedures authorized by statute are implemented in part 12. This includes using simplified procedures for acquisitions up to \$7.5 million (or \$15 million to support responses to emergencies or major disasters, or other specified situations).</li> <li>Tables are added that help readers find information easier:         <ul> <li>Table 12-1, Authority citations for restricting competition.</li> <li>Table 12-2, Provisions to include as prescribed</li> <li>Table 12-3, Clauses to include as prescribed</li> <li>Table 12-4, Provisions and clauses to include as needed.</li> </ul> </li> </ul>

FAR Part	Change	Description
FAR Part	Change	<ul> <li>New section 12.101, "Preference", retains the preference for commercial procurement.</li> <li>New section 12.104, "Contract Type", retains the preference to utilize fixed-price contracts to the maximum extent practicable.</li> <li>Labor-hour or Time-and-Material contracts may still be used for commercial services, but a determination and findings must be executed by the contracting officer.</li> <li>New section 12.201-1, "Simplified Procedures", clarifies that for acquisitions valued up to \$7.5 million, the agency use a request for quotations (RFQ) followed by a purchase order (vs. RFP/part 15 procedures for acquisitions over \$7.5M).</li> <li>New section 12.201-1(b) provides clear guidance as to the legal effect of quotations.</li> <li>New section 12.201-1(d) encourages agencies to use additional innovative approaches to the maximum extent practicable when soliciting quotations and issuing purchase orders.</li> <li>New section 12.201-2, "Other Procedures", provides clear instruction that for acquisitions valued at greater than \$7.5 million, agencies are to use the procedures in the new subpart 12.2 in conjunction with the procedures in part 15 for requests for proposals (RFPs) or part 14 for invitations for bids (IFBs), as appropriate. Use of an RFP is the preferred method because it includes consideration of past performance when evaluating offers (see the new 12.203(a)(2)).</li> <li>The deviated text clarifies that construction can now be procured commercially. When using the procedures in this subpart to acquire construction, comply with the requirements in part 36 for construction contracts and subpart 22.4 on labor standards.</li> <li>The contracting officer has broad discretion in establishing how quotations will be evaluated. For example, the contracting officer may perform a comparative evaluation of quotations.</li> <li>The deviated text emphasizes that evaluation procedures are not subject to part 15 or 14. Contracting officers are not required to have evaluation plans, score quotations, or e</li></ul>
		commercial products or commercial services from that source. If not available, agencies use the streamlined procedures for solicitation, evaluation, and award in the new subpart 12.2.

FAR Part	Change	Description
		<ul> <li>Timely quotations and offers. The deviated text instructs contracting officers to exercise good business judgment in deciding whether to accept a quotation or offer received after the due date or time.</li> <li>The definition of and requirements for subcontracts are retained, and will be moved to part 44.</li> <li>The following provisions and clauses are retained with plain language and other edits.         <ul> <li>52.212-1, Instructions to Offerors-Commercial Products and Commercial Services</li> <li>52.212-2, Evaluation-Commercial Products and Commercial Services</li> <li>52.212-4, Terms and Conditions-Commercial Products and Commercial Services</li> </ul> </li> </ul>
12	Removed	<ul> <li>A total of 46 clauses and provisions from other FAR parts are removed as they are no longer required for commercial contracts. This change reflects an approximate 30% reduction in the number of clauses and provisions that are applicable to commercial contracts.</li> <li>Further, the following clause and provision are removed as they are unnecessary. The majority of the references are no longer required, and any required references are retained through other means:         <ul> <li>52.212-3, Offeror Representations and Certifications-Commercial Products and Commercial Services</li> <li>52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Products and Commercial Services</li> </ul> </li> </ul>
38	Retained	None – This part is now reserved.
38	Removed	• Existing coverage has been removed in its entirety. This part is now reserved. Guidance and procedures for the Schedule program is moved to GSAR part 538.
40	Retained	<ul> <li>New subpart 40.1 incorporates:         <ul> <li>Sharing Supply Chain Risk Information (from FAR 4.2302):</li></ul></li></ul>

FAR Part	Change	Description
rart		article, Kaspersky Lab covered entity) have been moved to the new definitions section at FAR 40.201.  Section 889 (from FAR 4.21): The prohibition on contracting for certain Chinese telecommunications and video surveillance equipment and services is now located at FAR 40.202(d). The definitions are centralized at FAR 40.201.  ByteDance/TikTok (from FAR 4.22): The prohibition on the presence or use of TikTok applications or services on government and contractor information technology is now located at FAR 40.202(a). The definitions are centralized at FAR 40.201.  Federal Acquisition Supply Chain Security Act (FASCSA) (from FAR 4.23): The prohibition on violating an applicable FASCSA order is now located at FAR 40.202(e). Key definitions are centralized at FAR 40.201. The requirements for implementing FASCSA exclusion and removal orders have been streamlined and moved to FAR 40.204-1.  Prohibited Foreign Sources (from FAR 25.7): The prohibitions related to Office of Foreign Assets Control (OFAC) restrictions, as well as specific prohibitions against contracting with entities doing business in Sudan and Iran now reside at 40.202(f), (g), and (h).  New subpart 40.3 incorporates:
		<ul> <li>Safeguarding Classified Information within Industry (from FAR 4.4): The policies and procedures for safeguarding classified information within industry, rooted in Executive Order 12829 and the National Industrial Security Program (NISP), have been moved to the new section 40.302.</li> <li>Basic Safeguarding of Covered Contractor Information Systems (from FAR 4.19): The requirements for the basic safeguarding of covered contractor information systems that contain Federal Contract Information (FCI) are retained and moved to the new section 40.303.</li> <li>Provision and clauses consolidated to the following:         <ul> <li>New provision 52.240-90, Security Prohibitions and Exclusions Representations and Certifications, replaces the following provisions:</li></ul></li></ul>

FAR Part	Change	Description
		<ul> <li>52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan—Certification.</li> <li>52.225-25, Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications.</li> <li>New clause 52.240-91, Security Prohibitions and Exclusions, replaces the following clauses:         <ul> <li>52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities</li> <li>52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.</li> <li>52.204-27, Prohibition on a ByteDance Covered Application.</li> <li>52.204-28, Federal Acquisition Supply Chain Security Act Orders—Federal Supply Schedules, Governmentwide Acquisition Contracts, and Multi-Agency Contracts.</li> <li>52.204-30, Federal Acquisition Supply Chain Security Act Orders—Prohibition.</li> <li>52.225-13, Restrictions on Certain Foreign Purchases.</li> <li>52.226-10, Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act—Covered Foreign Entities.</li> </ul> </li> <li>New clause 52.240-92, Security Requirements, replaces the following clause:         <ul> <li>52.204-21, Security Requirements.</li> </ul> </li> <li>New clause 52.240-93, Basic Safeguarding of Covered Contractor Information Systems, replaces the following clause:         <ul> <li>52.204-21, Basic Safeguarding of Covered Contractor Information Systems.</li> </ul> </li> </ul>
40	Removed	Part 40 has been streamlined by merging and consolidating content from parts 4 and 25, removing redundancies, and improving clarity.
51	Retained	None – This part is now reserved.
51	Removed	Existing coverage has been removed in its entirety. This part is now reserved. All statutory text and essential text retained to support sound procurement will be moved to FAR part 8.

<sup>\*</sup> This table is not an exhaustive list.

RFO FAR part 52 model deviation text reflects updates to provision(s) and/or clause(s) associated with affected RFO FAR parts.

## 10. CONTACT:

Acquisition workforce members with questions regarding this CD should contact their cognizant Division Acquisition Office or Acquisition Policy Council (APC) Representative(s), as appropriate.

The current list of APC Representatives may be found on the <u>Acquisition Councils and Workgroups</u> <u>Page</u> of the <u>HHS Acquisition Portal</u> (HHSAP).

All other questions should be directed to <u>Acquisition\_Policy@hhs.gov</u>.